Daily Report

Latin America

FBIS-LAT-92-251
Wednesday
30 December 1992

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FBIS-LAT-92-251 *30 December 1992*

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Presidents Ratify Mercosur Program in Montevideo

PY2912214192 Madrid EFE in Spanish 2123 GMT 28 Dec 92

[Text] Montevideo, 28 Dec (EFE)—The presidents of Argentina, Brazil, Paraguay, and Uruguay today ratified in this city the program of the Common Market of the South, Mercosur, and expressed their will to intensify trade relations with the United States, the EEC, and Japan.

Presidents Carlos Saul Menem of Argentina, Andres Rodriguez of Paraguay, Luis Alberto Lacalle of Uruguay, and interim President Itamar Franco of Brazil agreed that Mercosur "is an irreversible process" and they confirmed their political will to comply with all the established schedules.

The Asuncion Treaty, signed in March 1991, created Mercosur, which sponsors the gradual reduction of trade tariffs until an open or zero tariff level is reached by 1 January 1995.

Requests to delay the zero tariff schedule by influential industrial associations and businessmen have generated criticism in the past few months. The presidents, nonetheless, ratified their determination to comply with the schedule established in the last meeting, held in June in Las Lenas ski resort in Argentina.

The presidents agreed that as of June 1993 the levels of the common trade tariffs among the member countries should be established at a maximum of 20 percent, allowing a maximum 35 percent for a short list of products.

The chiefs of state, who today held their shortest meeting since Mercosur was created—it lasted five hours—also demonstrated their desire to begin preliminary talks with the future U.S. Government.

The objective of these talks is to begin formal negotiations between Mercosur and Bill Clinton's administration once he is sworn in as U.S. President.

The purpose is to analyze the trade options that will be created given the new hemispheric reality and considering the Americas Initiative sponsored by outgoing U.S. President George Bush and the recent North American Free Trade Agreement signed by the United States, Mexico, and Canada.

The presidents of Argentina, Brazil, Paraguay, and Uruguay also instructed their subordinates to seek formulas to intensify trade relations with the EEC and Japan.

The need to promote work to coordinate their respective macroeconomic policies in the fiscal, monetary, and exchange fields toward a gradual convergence was endorsed by the four South American presidents.

The imminent implementation of the Brasilia Protocol to solve conflicts was labeled "an essential instrument" for the juridical safety of the market.

Carlos Menem, Itamar Franco, Andres Rodriguez, and Luis Alberto Lacalle stressed the "basic importance" of the consolidation of a multilateral and free trade system for the growth of the economies of Mercosur member countries and all of Latin America.

"In order to attain this, it is essential to reach a satisfactory conclusion soon to the Uruguay round of GATT talks," they said.

The presidents thus agreed to instruct, in a coordinated manner, their delegations to preserve their common interests in the negotiations within GATT, opposing norms that may restrict trade.

The presidents also agreed that the fourth Mercosur summit will be held in Asuncion, Paraguay, in June 1993.

The meeting among the presidents of Argentina, Brazil, Paraguay, and Uruguay ended abruptly when a joint news conference in which the four presidents were supposed to participate was canceled five minutes before it was supposed to begin. No official explanation was given for canceling the news conference.

Cuba

Hijackers Take Cuban Plane to Miami

FL3012024292 Havana Radio Rebelde Network in Spanish 0000 GMT 30 Dec 92

[Text] A Cuban airplane belonging to the company Aerocaribbean S.A. flying the Havana-Varadero route was hijacked to the United States on 29 December by some of the crew members, in complicity with a group of passengers. Cuban Civil Aeronautics Institute sources have reported that according to the information available as of right now, traitors to the fatherland used violence to carry out this act of air piracy.

The plane, an An-26 with 52 passengers aboard—among them eight children and six crew members—took off shortly after 1300 GMT from Jose Marti International Airport in Havana and landed in Miami, Florida, approximately an hour and a half later.

Cuban Civil Aeronautics authorities called the act a violation of the regulations of the International Civil Aviation Organization by endangering air travel and human lives and said it constitutes an act of air piracy with a use of force. Cuban authorities have pointed out that despite the fact that this type of action is condemned by the international community, the people who carried out the hijacking were given a hero's welcome in the United States as has happened in similar previous cases.

The sources said this new act of international terrorism was prompted by a U.S. policy aimed at providing asylum to all illegal emigrants, while there are delays in processing legal emigration requests.

In order to conduct the hijacking, the hijackers attacked and neutralized copilot Rolando Vila and a guard. According to information obtained so far, the people involved in the conspiracy are flight captain Carlos M. Cansio, flight engineer Rolando Herrera, and second copilot Andres Garcia. The Cuban Civil Aeronautics Institute reported that presently, negotiations have been started with U.S. authorities to secure the return of the plane as well as the return of the crew and passengers.

This concludes this note of the Cuban Civil Aeronautics Institute.

Cuban Diplomat Comments

FL3012011292 Havana Radio Rebelde Network in Spanish 0000 GMT 30 Dec 92

[Text] The Cuban Civil Aeronautics Institute has announced that an An-26 belonging to Aerocaribbean was hijacked to Miami this morning. The report says the plane was on a commercial charter flight between Havana and Varadero and carried 43 passengers and 6 crew members. The communique points out that reports by international news agencies on the matter are still contradictory.

In Washington, a Cuban Interests Section spokesman quoted by AFP specifically said: As long as U.S. laws encourage such adventurers, there will be irresponsible people who endanger many people's lives to attain their own petty objectives. This diplomat, (Rafael Dauza), described the event as an act of common piracy and explained that whenever there are difficult situations, there will always be traitors, slackers, and deserters.

The Cuban spokesman affirmed that none of the passengers or crew members on the plane were being persecuted for any reason whatsoever.

Commentary Views Hijacking

FL3012142892 Havana Radio Rebelde Network in Spanish 1255 GMT 30 Dec 92

["Our Opinion" commentary by Orlando Contreras]

[Text] While the investigations continue into a new act of international terrorism—the hijacking yesterday of an Aerocaribbean S.A. plane traveling from Havana to Varadero, which is an act of air piracy—I think it would be a good idea to offer a few background facts concerning these events. Air piracy was unheard-of before the triumph of the Revolution. It was the U.S. policy of attacks on Cuba that created and encouraged this crime, which then became a specific threat against civil aviation throughout the world.

In the initial years of the Revolution, hijackers were encouraged and welcomed as heroes in the United States. The same thing happened with those who by any means, including violence and murder, hijacked boats to Florida. Air piracy spread, boomeranged on U.S. civil aviation, and became a threat to air traffic worldwide. For this reason, legal measures were adopted by individual nations and the associations concerned, such as the International Civil Aviation Organization, the International Pilots Association, and other agencies. Thus a legal precedent was set, in fact, and became part of international law.

Under successive U.S. Administrations—except for a brief interregnum when the United States agreed to eliminate air piracy—Washington has continued to encourage this crime, providing incentives and welcoming the hijackers, in flagrant violation of its international commitments and its own domestic legislation. While the requests for legal immigration of Cuban citizens who wish to reside in that country are delayed, illegal immigration is encouraged, even if this endangers innocent lives or the lives of those who undertake these risky ventures.

In the case of the Aerocaribbean plane, after the crime was committed, the Cuban Civil Aeronautics Institute stated, and I quote: According to the information available as of right now, traitors to the fatherland used violence to carry out this act of air piracy.

One must wonder what the reaction of the U.S. federal authorities would be if the case were reversed; that is, if a U.S. civilian passenger airliner were diverted from its course, through the use of violence were diverted from its route, at great danger to the passengers, crew members, and even other planes. Obviously, this is a serious crime, provided for and punishable under the United States' own legislation and condemned by the International Civil Aviation Organization.

We should remember that the U.S. Supreme Court, in a decision for the annals of history, ruled that the U.S. Government has the right to kidnap foreign citizens in their own countries or in other places outside the United States and take them by force to be tried by U.S. courts if it is judged that their actions are offenses under U.S. law. On the one hand, such a legal aberration in the purest praetorian tradition is issued. On the other, crime is encouraged; in this case, that of air piracy.

To what extent can such a policy of state terrorism be adopted with impunity? What do the United Nations and the international and regional organizations have to say about this?

Alarcon Interviewed, Discusses Clinton Aide Visit

PY2912222092 Rio de Janeiro O GLOBO in Portuguese 27 Dec 92 p 20

[Interview with Cuban Foreign Minister Ricardo Alarcon de Quesada by O GLOBO special correspondent Daniel Stycer at the Foreign Ministry in Havana "two weeks after the United Nations approved a resolution condemning the U.S. embargo of Cuba"]

[Text] [Stycer] Do you see any way out of the Cuban economic crisis?

[Alarcon] Despite all the difficulties we are having to cope with, we have managed to survive and now we are drawing up a development project of our own. Our strategy is based on a quest for foreign capital to prospect for oil and develop tourism; we also are interested in the scientific development of pharmaceutical and biotechnological industries.

[Stycer] Do you admit that some of the difficulties stem not only from the embargo but also from government mistakes such as the single-crop, namely sugar, policy.

[Alarcon] I am not sure the single-crop policy has been our mistake, but rather one that preceded the revolution. Prior to the revolution, several parties promised but none were able to reduce our dependency on sugar. We have managed to diversify the exploitation of sugar cane. We make mistakes and we admit them. It is, however, very difficult to make a fair assessment of the situation because both successes and mistakes have taken place under unusual circumstances. The question should be phrased based on a hypothesis: Would this or that decision have been right if there had been no blockade?

[Stycer] What were the main mistakes?

[Alarcon] The main mistakes were basically made by mechanically copying the economic approach implemented in East Europe. I believe this approach had a lot to do with the failure of socialist regimes in those countries, especially the way in which workers were being motivated through certain mercantile concepts. Che Guevara criticized this economic model 30 years ago. He used to say this concept was fully applicable only within a capitalist system.

[Stycer] Do you admit that communism has failed as a form of government?

[Alarcon] I believe that it would be unfair to say that East European socialism has failed. It all depends on what you call success. The same could be said about Western capitalism. From the point of view of people's needs, well-being, and justice, capitalism has been unsuccessful all over the world. It has not resolved the problems of backwardness and underdevelopment. On the contrary, it has worsened these problems. No single Third World country has managed to develop through capitalism. Certain socialist experiments ended up by moving toward capitalism because they carried within them the error that Che Guevara pointed out. It still remains to be seen, however, what the hell will happen to those countries.

[Stycer] Prostitution has grown as a result of the opening toward tourism. Isn't prostitution contrary to the values the revolution has tried to preserve?

[Alarcon] Prostitution, gambling, the black market, smuggling, or drugs are not the reason tourists come to Cuba. These things are inevitable in any country. It would be absurd to adopt a puritanical position of enclosing ourselves to avoid temptations and sin. I am not trying to justify it or eulogize it, but it is preferable and much less dramatic and tragic to have prostitution for benefit than for hunger as is the case among millions in this world.

[Stycer] What will happen with Cuba if the U.S. blockade is kept for many years?

[Alarcon] I do not know. We could pose that question in a different way: How much longer will the United States be able to keep the blockade with the sole support of Israel and Romania? It is obvious the United States is now on the defensive; it is the one that is completely isolated. I do not want to show machismo or anything like that, but we hope our people will be able to resist that policy. We already have gone through worse periods in our history. There is enough moral reserve, patriotism, and dignity.

[Stycer] Are there already any indications of change in the U.S. attitude toward Cuba with the election of Bill Clinton?

[Alarcon] It is too early to talk about change. With the exception of the Carter government, the last eight U.S.

administrations were very hostile to Cuba. And in the last 12 years the worst aspects of the U.S. foreign policy were intensified by the blockades, the interference in our internal affairs, and even terrorist activities against Cuba. Clinton was elected under the promise to carry out profound changes in U.S. domestic policy. Judging from the polls made before the elections, the majority of the American people want the government to become more concerned with the daily problems of the people and to show less concern in becoming the big sheriff of the world like Bush wanted. Therefore, we could theoretically imagine that the new government will have less pressure to be dominant and interventionist.

[Stycer] What was the result of the recent visit by Dennis Rivera (member of Bill Clinton's transition team) to Cuba?

[Alarcon] (Shows surprise) Where did you hear he was here? He is really an important person. He is a Puerto Rican of progressive ideas, a leader of the very strong Hospital Workers Union of New York and vice president of the Democratic Party in that state. But it would be an exaggeration to say his presence here is a message from Bill Clinton or an indication of his political trend.

[Stycer] Why then was Rivera's visit kept secret and even denied?

[Alarcon] I don't know. Many people came for the movie festival. I believe Rivera also should have something to say. He came with Harry Belafonte, who has been my friend for many years. It also would be unusual for me, the UN Cuban representative for many years, not to know the president of a very important union.

[Stycer] Is there apartheid in Cuba? Is it not a contradiction for a socialist country to have places reserved for tourists?

[Alarcon] In other islands in this part of the world, tourists suffer disturbances and attacks from the population. There are countries where the first thing tourists are told by the hotel managers is not to go into the streets. The majority of the Cuban population knows that the privileges granted to foreigners are reflected in the services they receive. It is worse in the countries with millions of desperate people where nothing officially prevents them from entering a certain area, but who cannot do it because of racial discrimination or social differences.

[Stycer] People are afraid to criticize the government. Is there no freedom of expression in Cuba?

[Alarcon] I believe freedom of expression includes the freedom to wrongly express their fear. I cannot go into the streets saying, "have no fear, say what you like." There is freedom here and this is reflected in many interviews.

[Stycer] But Cuba is known for violating human rights, for keeping political prisoners ...

[Alarcon] That depends on what you call political prisoners. I believe there are political prisoners in all countries without exception. Yes, there are prisoners in Cuba, and I don't know of any country where there are none. That is, if the term is used with the same amplitude used in relation to Cuba.

[Stycer] Do you think the revolution's principles continue to be important for the new generations?

[Alarcon] Is it possible to conceive of a counterrevolutionary victory, to turn medicine into a private enterprise, to expel blacks from beaches, to charge again for education in a country where most people consider the level of social development that cannot be found anywhere else as a birthright—and which will never be preserved without the revolution? This seems to be impossible. If one day they try to restore capitalism in Cuba, the people's current displeasure because of poverty will worsen even more.

[Stycer] I now realize there is no reason for Fidel Castro not to participate in a plebiscite. Why did he not call it?

[Alarcon] We are being subjected to a plebiscite quite often. Cuba is greatly plagued by American propaganda. Most Cubans own weapons and are facing great pressure because of the economic problems, but they are ready to continue with the struggle. We are in the middle of an electoral process...

[Stycer] But all candidates belong to the same party...

[Alarcon] Excuse me, not only to a single party. Politicians choose the party candidate in countries with various parties. I do not know any democratic system in which a common citizen has the minimal possibility of nominating a candidate. People learn about the candidates through television and the press before casting their votes. Cuba has a single party, which is not charged with launching candidates. Half of the candidates for National Assembly deputies will have to be elected in a previous election, where at least two candidates are proposed and chosen by the rank and file. Tell me about a country in which at least 5 percent of the parliament members are nominated by a common citizen.

[Stycer] Why don't you hold free elections to choose the president of the nation?

[Alarcon] Speak with any European chancellor. Except in France, the chief of state is elected by the parliament and not directly by the people. Pericles was the first who defined democracy: "A government for the benefit of the majority." This is represented by Cuba in the current world. We do not have to imitate a system like that of the Americans, which is a real farce.

[Stycer] What about relations with Brazil, and what are the prospects?

[Alarcon] Relations have been very cordial. They have experienced a continuous developing process. One of its

characteristics is that they are not merely formal diplomatic relations. A cultural identity prevails among the two countries. Commercial ties are improving, and I think we will continue this way. Relations are better today than yesterday, and they were better yesterday than the day before yesterday. I believe they will be better off tomorrow than they are today.

Russian Troops, Families Depart

PA2912162192 Paris AFP in Spanish 1426 GMT 29 Dec 92

[Text] Moscow, 29 Dec (AFP)—Seven hundred Russian troops and their families left Havana on a passenger ship within the framework of the current withdrawal of a Russian brigade from Cuba, the ITAR-TASS news agency reported on 29 December.

The ship, the Ivan Franco, left the Cuban capital on 28 December. It was the second ship to leave Cuba within a month with Russian troops aboard, the news agency added, quoting the Russian Embassy in Havana.

The Russian and Cuban Governments reached an agreement on the withdrawal of the Russian brigade of over 1,500 men in September, after several months of negotiations.

The brigade, which had been in Cuba since 1963, must complete its withdrawal prior to July 1993 according to the agreement.

ITAR-TASS, quoting official sources in Havana, stated the presence of the Russian Brigade in Cuban territory "no longer made sense" and that it was "impossible and illogical" to condition the withdrawal of the Russian troops from Cuba to the evacuation of U.S. troops from Guantanamo Naval Base.

In September, the United States praised the Russian decision to withdraw its troops from Cuba, asserting that this was "further proof of the international isolation" of President Fidel Castro's government.

Jesus Montane Meets With Italian Communists

FL3012001692 Havana Radio Reloj Network in Spanish 2052 GMT 29 Dec 92

[Text] Jesus Montane, a member of the Central Committee of the Communist Party of Cuba, has met with Mr. (Luigi Vinci) of the office of the chairman of the Foreign Relations Committee of the Italian Senate for Italy's Communist Refoundation Party, and Mr. (Maurizio Scarpa), who is accompanying Mr. (Vince). Today's GRANMA report on this matter says that at the meeting, aspects of the national and international political situations and of the campaign of solidarity with the Cuban people that is being successfully waged in Italy were discussed in a climate of friendship.

Montane also met with Mr. (Andres Baldini), general director of Customs of Malpensa Airport in Milan, Italy, who is on a private visit to Cuba. During his visit to our country, Mr. (Baldini) has donated medicines and other health-care materials as proof of his affection and admiration for the Cuban people and its Revolution.

Correction to Castro Welcomes Indian Donation

FL2912181992

The following correction pertains to the item headlined "Castro Welcomes Indian Donation," published in the 29 December Latin America DAILY REPORT, page 8: Column one, first paragraph make read: ...Havana Port on 28 December—recorded]... (correcting date)

Haiti

FNCD Parliamentarians Ask For Aristide Return

FL2912184592 Port-au-Prince Radio Metropole in French 1145 GMT 29 Dec 92

[Text] Two parliamentarians from the National Front for Change and Democracy, FNCD, have called for the return of Father Aristide to power. In a joint communique, Senator Herard Pauyo and Deputy Ernst Pedro Caseus take a negative view of the situation in Haiti. Both parliamentarians denounce the repression rampant in the country since the bid for power on 30 September 1991. Senator Pauyo and Deputy Caseus believe the time has come for those who made the coup d'etat to leave. Parliamentarians Pauyo and Caseus assert that the reinstatement of Father Aristide as president of Haiti will favor the reconstruction of the country.

CHADEL Denounces UN, Human Rights Violations

FL2912221892 Port-au-Prince Radio Metropole in French 1700 GMT 29 Dec 92

[Text] CHADEL [Haitian Centre for the Defense of Public Freedom] cites several cases of human rights violation in Haiti. Six persons were injured by soldiers' or policemen's bullets, and a total of 13 cases of human rights violations were listed during November by CHADEL, the organization founded by former Prime Minister Jean-Jacques Honorat.

In its monthly bulletin issued on 22 December, CHADEL also mentions as terrorism the kidnapping by armed men on 22 November of two CONACOM [National Congress of Democratic Movements] members, Justin Bresil and Wesner Luc. It should be recalled that Luc's body was found a few days later, with gunshot wounds.

The CHADEL bulletin also condemns the attitude of the UN General Assembly which, over a period of three days, urged its members to refrain from ordering measures against Cuba, the extra-territorial effects of which would have an influence on the sovereignty of other states and on the freedom of trade and navigation, while

recommending a reinforcement of the embargo against Haiti. CHADEL asks who will then dare speak of the equality of nations in international law.

Finance Ministry Advances CEP $1 Million

FL2912192092 Port-au-Prince Radio Metropole in French 1700 GMT 29 Dec 92

[Text] The first ballot of the senatorial elections for the renewal of one-third of the Senate has been scheduled for 18 January by the Permanent Electoral Council [CEP], which has published its electoral calendar. The electoral campaign will begin on 3 January and a possible second ballot is scheduled for 25 January, according to this calendar. Ten senators, including nine whose mandates have expired and one who died, must be replaced during these elections. There are also [elections for] deputies, including seats of two who died, one who was murdered, and one vacancy in a district in which elections were not held in December 1990. Four [additional] seats of deputies must also be filled.

It should be noted that the opposition close to ousted President Aristide has denounced the anticonstitutional character of these elections, the results of which it questions in advance, and which [Wiener Fort] describes as an electoral prank. The minister of finance has agreed to advance $1 million to the CEP, as he explains to Rothschild Francois, Junior.

[Begin recording] [Fort] We have simply advanced the CEP an amount of about $1 million. You see, for the executive, it is an ordinary expense [word indistinct] I am waiting for the budget.

[Francois] Once again, you do not have problems with the [word indistinct]?

[Fort] No problem, no problem [repeat as heard].

[Francois] How are the country's finances?

[Fort] The country's finances are all right, as there was a certain collaboration between the Bank of the Republic of Haiti and the Ministry of Finance. [end recording]

Trinidad and Tobago

Government Supports Naval Blockade of Haiti

FL2912201492 Bridgetown CANA in English 1804 GMT 29 Dec 92

[Text] Port of Spain, Trinidad, Dec 29, CANA—Trinidad and Tobago would support a naval blockade of Haiti to resolve the political crisis in the French-speaking Caribbean country, a government official here said.

Canadian Prime Minister Brian Mulroney has called for a blockade around Haiti to bring down the military dictatorship which toppled the country's first democratically-elected president, Jean Bertrand-Aristide, more than a year ago.

"We are of the view that strong and decisive action is needed to bring a resolution to the Haitian crisis and we, along with our Caricom (Caribbean Community) partners, have been in the forefront of calling for a United Nations involvement and support of the Organisation of American States (OAS) initiative in this direction," Trinidad and Tobago's foreign afairs minister, Ralph Maraj, told CANA.

"We see Mulroney's call as part of a general feeling that the situation can be resolved if there is greater international support....to strengthen the whole move to resolving that crisis."

But Maraj said any step towards assisting Haiti would be effective and legitimate only if it had the support of the United Nations Security Council.

He added, "We would like this idea (of the blockade) to be given very full and serious consideration at the level of the Security Council of the United Nations."

The foreign affairs minister said the Haitian issue has been discussed at the United Nations level and a resolution calling for a UN involvement in Haiti by the OAS has been passed.

"We do not intend to just leave it there....We would like it to go further.

"We would like to see it considered seriously by the Security Council and we would do whatever is necessary....Trinidad and Tobago would support a Security Council involvement in the situation."

Michoacan Tribunal Overturns 11 Mayoralty Results

PA2812190892 Mexico City Canal 13 Television Network in Spanish 1300 GMT 28 Dec 92

[Report by Alfredo Gonzalez in Michoacan]

[Text] On concluding its evaluation of the 6 December municipal elections, the Michoacan State Electoral Tribunal overturned the preliminary results in 11 of 113 mayoralties. As a result of the analysis, the Institutional Revolutionary Party [PRI] lost nine mayoralties. One was awarded to the National Action Party [PAN], another to the Cardenist Front for National Reconstruction Party [PFCRN], and seven to the Party of the Democratic Revolution [PRD]. For its part, the PRD also lost two, which went to the PRI.

According to a report by the tribunal, 72 appeals against the results were rejected as being unfounded. Thus, the final results give the PRI 67 mayoralties; the PRD, 39; and the PAN, 5, while the Authentic Party of the Mexican Revolution and the PFCRN won one each.

Post-Election Violence Leaves 6 Dead in Michoacan

PA2912212692 Madrid EFE in Spanish 2144 GMT 28 Dec 92

[Text] Mexico City, 28 Dec (EFE)—Six opposition party members were killed after the elections in Michoacan, in western Mexico, where the ruling Institutional Revolutionary Party [PRI] won 68 of 113 mayoralties during the January elections.

Jose Luis Tinajero, secretary for judicial affairs of the Party of the Democratic Revolution [PRD], reported that the people killed between 11 and 24 December were members of the center-left PRD, which is Mexico's third political force.

Tinajero said the cases will be brought before the Inter-American Human Rights Commission and Amnesty International in January, because the National Human Rights Commission appointed by the Mexican president has declined to issue any recommendations on them.

Michoacan was the site of several demonstrations by PRD members during the 12 July gubernatorial elections, which resulted in the resignation of winning PRI candidate Eduardo Villasenor.

Ramon Mendoza, who is among the recent victims of this political violence, was killed on 11 December. He was the brother of Salomon Mendoza, municipal president of Aguililla (Michoacan). Other violent incidents took place in such towns as Paracho, La Piedad, Jungapeo, and Uruapan in Michoacan.

The PRD said that because no one has been arrested in connection with these crimes, it decided to denounce this abuse at the international level.

One of the most recent post-election incidents took place on 27 December, when PRI members prevented the meeting of electoral colleges in five municipalities—Ixtlan de los Hervores, Purepero, Chilchotta, Jacona, and Periban. The PRI's victory was overturned in these areas.

According to the State Electoral Tribunal's results, the PRI won 68 mayoralties; the PRD, 38; the National Action Party, five, while the Cardenist Front for National Reconstruction Party and the Authentic Party of the Mexican Revolution won one each.

New Pesos Will Be Put Into Circulation 2 Jan

PA3012131592 Mexico City XHTV Television Network in Spanish 0200 GMT 30 Dec 92

[Excerpt] On 2 January, new pesos will be circulating. Javier Arrigonada, secretary of the board of directors of the Bank of Mexico has cleared up some doubts. Banks will be open on 2 and 3 January—Saturday and Sunday—to make known the new bills and coins. It will not be necessary for the people to go to the banks to massively change their money. They may exchange money now out of curiosity, if they wish, but they don't have to, Mr. Arrigonada said.

[Begin Arrigonada recording] It is important to realize that the current bills and coins will continue to be used. They are not going to lose their value. [end recording]

We now will pass the following information on automatic teller windows so that you may make plans:

[Begin Arrigonada recording] They will stop functioning at 1100 Mexico City time [1700 GMT] on 31 December. They will be put back into operation gradually as of 0200 on 1 January so that all of them will be operating by 0700 on that day. [end recording]

On 1 January, the automatic teller windows will be operating with basis on the new pesos but will continue handling out old bills at the equivalent value; later old and new bills will be dispensed.

Some people are under the impression that the currency change will represent a devaluation of the peso. Mr. Arrigonada explained that the peso-dollar ratio will remain the same, although expressed in new pesos. This implies speaking in terms of tenth-of-a- thousand, something that the people find confusing.

However, a practical example will make things look easier. If you were to buy $1,000 at the current ratio...

[Begin Arrigonada recording] You would have to pay 3,117,400 pesos. If you were to buy $1,000 next year, with the exchange taking place using new pesos, you would have to pay 3,117.40 pesos. The amounts are the same by moving the decimal point three spaces to the left. [end recording]

Many believe that the rounding of figures is arbitrary, but Mr. Arrigonada says that right now this rounding is necessary because since the smallest coin is 50 pesos, and when one speaks of 20 or 30 pesos, the result is that no change can be returned. [passage omitted]

El Salvador

Cristiani Reaffirms Fight Against Narcotics

PA2912202092 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 29 Dec 92

[Text] President Alfredo Cristiani has reaffirmed his government's determination to intensify the fight on drug trafficking in El Salvador and Central America. We are interested in stopping, not only the trafficking, but the sale and internal consumption of drugs as well, Cristiani told the reporters.

The National Police Drug Division, however, has been unable to disable the well-organized band that imports and exports drugs. According to people familiar with the problem, this operation relies on the complicity of high-ranking military officers.

Cristiani reported the DEA has offered to train technicians in the investigations being carried out.

Gen Mauricio Vargas on Armed Forces Reforms

PA3012021292 San Salvador Canal Seis Television in Spanish 0200 GMT 29 Dec 92

[Text] General Mauricio Ernesto Vargas, Armed Forces deputy chief of staff, has said that President Alfredo Cristiani has the full support of the military in carrying out the administrative measures recommended by the special commission on the Armed Forces purge. Certain rumors are circulating stating the Armed Forces' intention to change certain UN provisions. These rumors come as the day grows closer on which President Cristiani will remove or transfer some members of the military high command, as suggested by the ad hoc commission.

According to Gen. Mauricio Ernesto Vargas, Armed Forces deputy chief of staff, the peace process and the issues that require a decision by Cristiani, as commander in chief, have the full support of the organization.

[Begin Vargas recording] This will be completed. The Armed Forces and the defense minister have stated publicly that we support, we have supported, and we will continue to support the commander in chief and constitutional president of the Republic. [end recording]

According to the military leader, the support for the president's decision demonstrates that there is no intention of renegotiating agreements that have already been signed by the two sides. But what about the secret meetings?

[Begin Vargas recording] There have been meetings and I have participated in them, but they were directed at accelerating and improving the logistics and implementation procedures regarding agreements involving two parties only. We were not going to include the Farabundo Marti National Liberation Front [FMLN] in that. Evaluation, reduction, inventory, and weapons were never targeted. I can express my satisfaction with a certain program, but that does not mean it is negotiable or even a topic of discussion. [end recording]

For the deputy chief or staff the end of the armed conflict is not in itself a definitive peace. He stressed that there are still important changes to be made in the military structures of both the FMLN and the Army. Some of the major issues of the agreements that are still pending are the demobilization of several battalions and the purging of the Army, which is expected before the end of the year.

FMLN Opposes Police Presence in Conflict Area

PA2912152192 San Salvador Radio Cadena YSU in Spanish 1800 GMT 28 Dec 92

[Text] On 28 December the Farabundo Marti National Liberation Front [FMLN] stated its disagreement with the deployment of Transitory National Police [Policia Nacional Transitoria—PNT] units in former conflict areas.

Carlos Granillo, a FMLN member of the National Civilian Police [PNC], stated that these policemen are carrying out their duties satisfactorily, but they should not be deployed in those areas.

The deployment plan is not being directed at fighting crime in the places where it is the most evident or at replacing current security corps, but at using the current PNT. This is inconsistent with the peace agreements, he said.

[Begin recording] [Granillo] The agreements establish that the PNC is to be deployed gradually until it reaches the conflict area. The idea is for the new PNC to operate first in the departments with a higher crime rate, and then eventually, to begin operating in the conflict areas.

Mr. Monterrey's [not further identified] proposal calls for operations to take place first in the conflict areas and then to move to the nonconflict areas.

[Unidentified reporter] [Question indistinct]

[Granillo] [words indistinct] but considering the economic importance of the departments, we propose that it begins first in nonconflict departments, then move to conflict areas. That is, replace the PNT, in addition to the public security corps that have been functioning there. [end recording]

The first PNC contingent will be deployed during the last week of January and the first week of February 1993. PNT members, after evaluating the work carried out by the National Public Security Academy in 1992, reiterated that 11 members of the demobilized National Guard and Treasury Police are students in this academy.

[Begin Granillo recording] They are being trained in Puerto Rico. We have charged that this is a clear violation of the signed agreements and of a commitment

the president made with the United Nations and the FMLN. This commitment states that people from those corps or the Armed Forces would not form part of the new institution. As we see it, this is a violation of the agreement. We will continue struggling to resolve these problems in a suitable way within the spirit and the letter of the agreement. [end recording]

A total of 1,600 persons have become students of this academy. Of this total, 75 are being trained in Spain and Puerto Rico. The 60 in Puerto Rico are being trained to occupy temporary command posts. The 15 being trained in Spain will occupy high-command posts.

Ferman Cienfuegos on FMLN Political Party

PA2912205592 San Salvador TCS Television Network in Spanish 1303 GMT 28 Dec 92

[Interview with Ferman Cienfuegos, leader of the Farabundo Marti National Liberation Front, FMLN, Political Party, by "Face to Face" program hosts Ricardo Chavarria and Giselle Bodewing in San Salvador—live]

[Text] [Chavarria] Today we have Ferman Cienfuegos, leader of the FMLN Political Party. We thank him for being here this morning. Good morning.

[Cienfuegos] Good morning, I thank you for this opportunity to exchange views. The year is about to end and I wish to send the viewers warm greetings.

[Chavarria] Thank you. We would like to know what FMLN members have done since 15 December. Would you comment on the last 20 percent who were demobilized?

[Cienfuegos] The FMLN has been involved in a profound transformation and reorganization process over the past 10 days. Since 15 December, after we registered our party, we had to legalize our 50-member directorate, which is called the National Council. We elected 15 political commission members, that is, the FMLN already has a 15-member Political Directorate. In keeping with our statutes, we have established throughout the country municipal, departmental, and work commissions, such as the organization and relations commissions. This involves municipal and territorial organization work.

[Chavarria] What are FMLN combatants doing? What percentages will work in production activities, join the National Civilian Police [PNC], and get involved in political life or activity?

[Cienfuegos] As of now we do not have specific figures on how many former combatants will be involved in politics, because we currently are involved in a complex training program, including technical training in the agricultural and agro-industrial areas, and workshop training. We could say that virtually 90 percent of the army structure currently is involved in educational training or agricultural or industrial technical training. Others, I would say about 20 percent [figure as heard], are involved in politics.

[Bodewing] How many will be PNC members?

[Cienfuegos] Groups have not yet graduated from the courses. We would be talking about 20 percent of 2,000. That is, there are currently more than 400 former FMLN members competing for positions in three levels—executive, mid-level, and policeman—within the PNC. There are members currently training in Puerto Rico. Some were in Spain and Mexico. There is a large group of members training to become policemen. New members have patrolled rural areas with National Police members. They are covering areas where there is no police presence.

[Bodewing] As for the weapons the FMLN was distributing, is this over or does it continue? Weeks ago, after 15 December, the Army—if I am not wrong—reported that some FMLN people were still armed. What about this?

[Cienfuegos] Some of the weapons have not been destroyed after 15 December because of the technical process used to destroy them. This is why the containers are guarded by armed FMLN members. In other words, there are indeed armed groups but they are guarding the weapons that will be destroyed. This is a technical aspect that has nothing to do with the political issues. This was agreed upon and is following a natural process.

[Chavarria] How long will this last?

[Cienfuegos] I do not have the most recent figures but we think the total destruction will be complete before 31 December. This would include the destruction [neutralizacion] of the famous missiles that we added to the [word indistinct]. We included about 55 missiles in the inventory. We used more than 120 of them throughout the war.

[Chavarria] Will Onusal [UN Observers for El Salvador] be in charge of destroying the 55 missiles? We imagine the destruction of weapons of that type must be complicated.

[Cienfuegos] The FMLN has received training during the process in destroying its weapons. We have special units for this purpose. In other words, the FMLN must destroy its own weapons. The destruction of missiles, however, is more complicated. I understand we will require technical assistance from the United Nations to deactivate the warhead and guidance system of the missile.

[Chavarria] The FMLN became a political party after a process that began several months ago. We read in a local newspaper the names of the members of the council. How will the FMLN function politically from now on, as five organizations, or as a single organization? Will the five organizations work independently in the same manner as Democratic Convergence, which is made up

of several parties? Will you continue to work separately, or will you become a single organization?

[Cienfuegos] We have created a very special party, because it is not a single party. It is a party made up of five groups, all of which, of course, have one single platform, strategy, and tactic with which to carry out their political activities. Our actions will be democratic, as the FMLN is an expression of pluralism. Our organizations sometimes have different views, and also [word indistinct] differently. In that sense, the party will not be a strictly traditional party created for elections only. We believe the FMLN, as a party, should also carry out social actions. In other words, when there are no elections, the party must carry out activities to strengthen the economy, improve public services, and defend community interests. It is a party with a new concept of social, community, and municipal work.

[Bodewing] How will you divide the party into various committees to work in the economic, social, and political areas?

[Cienfuegos] The basic structure is the traditional structure of the political parties in El Salvador, which is the municipal or departmental configuration. We believe in addition to social development, which we consider very important, we should also contribute to the community's economic development. In that regard, we believe it will be necessary to create economic and social development teams and commissions. For example, we have the reconstruction secretariat, which will become an economic and social commission within the party. We do not want to centralize actions, we do not want a highly centralized party. We believe the FMLN is a political organization, not in the traditional sense, but a party that expresses the interests of other economic, social, and religious groups. For example, during the war, the FMLN was strictly a party of believers. We have many religious leaders in our party; therefore, the party will have to have a religious representation. Our statutes stipulate the party will be composed of various sectors. The structure will be similar to the one that exists in [name indistinct].

[Chavarria] What level of influence does Jorge Shafik Handal have at this time? We understand he was appointed coordinator. When announcing the party's economic platform, for example, you said you have adopted an alternate economic model. This point, however, is not clear for the people, because each leader has expressed different views. In other words, what Joaquin Villalobos has said is not the same as what Shafik Handal, Leonel Gonzalez, or you have said.

[Cienfuegos] The duties assigned to the coordinator—he was appointed coordinator, he is not president or secretary general—is to combine and harmonize all FMLN interests. In that sense, the coordinator will play a very important role of balance and coordination. He will serve as a liaison, and will also have to work diligently to unify the party. I believe Shafik Handal has a very difficult task, because he must harmonize all the efforts and interests of the post-war period in El Salvador.

[Chavarria] How will that be achieved? Not long ago there was a discussion on the specific issue of how the FMLN would address this problem. In the armed struggle the same interest bonded you but now how will you be able to reach an economic platform when Joaquin Villalobos is advocating social democracy and Handal is advocating a state-controlled model. How will this be reconciled? Being that Shafik Handal is the coordinator, would he not have more influence than the others?

[Cienfuegos] I think any post allows the holder to have some influence within a party; there is no doubt about this. We need to (?define) our position and goals during electoral and nonelectoral periods. We must hold debates. We must hold debates within the FMLN and a public debate. We think the people should know about internal FMLN debates. This is a matter that we disagree on. Some companeros still think our debates should not be made public, but we believe they should, because debates do not serve as safety valves, but as a natural means through which politicians build positions.

The FMLN in the past 12 years—actually in the past 22 years because [words indistinct] but the construction of the FMLN dates back to 1971—sought to establish positions. We established them clandestinely. Nobody knew how our ideas and projects were established. I think now is the time—and I think for the sake of our own education and that of the general population—to reveal how we build ideas. We should not fear letting people know we differ with Handal or Villalobos or vice versa. This would not be a sign of disunion, but an indication that we are establishing a position.

[Bodewing] The FMLN, however, will have to reach a consensus. What would be the cost [words indistinct] of reaching a consensus?

[Cienfuegos] We are not concerned about the cost because the goal of the FMLN, as a new brand of party, is to become a new brand of builder. I think we will reduce costs to the extent that we improve our debates. A poorly handled debate or discussion will entail heavy costs. I say this is an educational experience for everyone, not only for the FMLN, because the (?other) parties must change [words indistinct] if the political parties continue to engage in politicking. We do not want to engage in politicking.

[Bodewing] There are always rumors in our country. When the FMLN was in the process of becoming a political party there was talk that its sole goal for the 1994 elections was to win mayoralties and Legislative Assembly seats and that it would not aspire to the presidency. Is this still true?

[Cienfuegos] It is evident the FMLN has a local power base because of the developments of the past two years. It is natural that the FMLN has immediate interests in mayoralties. I will not deny this because it is evident.

The new thing for us will be our decision regarding the deputy seat. Their election involves a different procedure. As for the presidency, if you asked me what my personal preference is, I would reply a national consensus president and vice president [words indistinct] to elect a national consensus president and vice president to depolarize the country. There will be a polarization of parties at the presidential level. I would prefer the country to elect a national consensus president and vice president.

The FMLN will definitely have its presidential and vice presidential candidates. There is no doubt about this. We will have our candidates.

[Chavarria] People are speculating. They have mentioned Roman Mayorga Quiros as a possible FMLN candidate. The name of (Hector Rabirensi) has also been heard as a possible candidate. At any rate, before we discuss a proposal by Democratic Convergence [CD] on 27 December, are these two possibilities?

[Cienfuegos] As we have not begun any discussions on this, we are willing to listen to candidate proposals. You have mentioned persons with a certain prestige in this country, which I cannot deny. I understand we are going to hold debates on the various candidates, because there are other candidates being mentioned.

[Chavarria] Let us look at what CD has proposed: the alliance the left should present. They said at one time that the PDC [Christian Democratic Party], CD, and the FMLN should not run together as this would cost votes that could go to favor the PCN [National Conciliation Party] or the MAC [Authentic Christian Movement] or some other force. They said that CD could run with the FMLN and back Ruben Zamora as the FMLN candidate, unless you present some other person.

[Cienfuegos] I believe that the distancing of some parties from the FMLN is more electoral than anything else; to avert some sort of political cost. It seems that by distancing themselves from the FMLN they believe they will gain politically or electorally, because the FMLN is a registered party and is beginning to move around in its own space. I really believe that distancing themselves from the FMLN will not mean political gain, but a definition of what each party is proposing. You see, it used to be fashionable to distance one's self from the FMLN so as not to get involved. I sometimes think that CD is trying to distance themselves from us as if they were to gain votes by doing so.

I feel that we are not presenting a leftist position or a united left-wing stance. That is an archaic term, as this is not an issue of left or right. I believe that words such as left and right wing are, how could I put it, rather square—not to say round—for defining policies. This country needs to solve a series of problems on a national basis, which do not call for this sort of political rhetoric. The people are quite tired of listening to that sort of thing.

[Bodewing] What type of alliance would the FMLN seek with the other political parties?

[Cienfuegos] We think that the candidate, politically speaking, is what will unite the parties; the level of agreement or coincidence that you may find to back a candidate for mayor, let us say. Who supports the candidate? What parties back the candidate? There we will see that each municipality will have a different type of alliance. The same will happen with the deputies. The only issue that might distance them is the presidential race, where there must be a slate agreement to support one or another presidential candidate.

[Bodewing] And in the case of the deputy elections?

[Cienfuegos] In the case of the deputies, as the electoral procedure allows parties to unite to back a given candidates in a given area, we could see a unification in Santa Ana or San Salvador Departments, for example, to back a specific deputy. We could also find that in San Miguel these same parties may not run together with the same candidates for deputy. As you can see, the electoral procedure allows a lot of flexibility in as much as it is not necessary to work with a National Opposition Union as before, for example. What I am saying is that we are not presenting a National Opposition Union type system. The election campaign itself will indicate where there will be different alliances among the municipalities within a given department. I believe that the alliance will not be a left-wing alliance to oppose the right wing, but an alliance defined by the election process itself.

[Chavarria] Would you say, however, that the polarization of the elections is inevitable in the sense that it is clearer than ever that you are a force that can face Arena [Nationalist Republican Alliance]? On the other hand, based on your remarks on one of the points concerning the economy, is it possible, as Acevedo Peralta once said, that since you do not have a well-founded economic model you may be interested in adopting an economic model similar to the one promoted by the Christian Democratic Party? The latter would entail sacrifices such as having your candidates for deputies or mayors accompanying Fidel Chavez Mena's candidacy? Would that be possible?

[Cienfuegos] No, I do not think there is a need for that because the FMLN represents an economic development project. What has happened is that we have not had the opportunity to develop this project. The problem does not lie in the macroeconomic aspect. Currently we are developing a sort of test project, a large economic development pilot plan in the communities that were victims of the war. For example, in one year we have constructed three schools, before there was only one school. Before there were no health clinics, now there are two. There are health workers now. We are developing at the municipal level. This is an economic model that we would be interested in developing further. We believe that the FMLN's problem is to resolve the community's economic problems, strictly the community's, not as a

macroproject or a macroprogram. The politicians get on television and state: We offer so much, or we offer this. We feel that the new policies and the political leadership have to explain face to face, on site, what they are doing.

This is why we politicians are developing microeconomic community projects that represent our economic projects without being the government; because one does not necessarily have to be the government to develop an economic project. Economic projects can be developed from the rank and file, as we are doing. In our concept, the economy is developed by having power at the higher levels and among the common people. This is a totally new concept that we want to apply.

[Chavarria] If this—as you have set is out—is positive for the Salvadorans, we welcome it. Nevertheless, I recall a few months ago when Monsignor Gregorio Rosa y Chavez was here, when that issue was taken up he said: Let us hope that this will not divide the Salvadoran community. That is, when community projects engage in certain activities there is a tendency to polarize or to divide the Salvadorans.

[Cienfuegos] If you look at it from that point of view, the nation's overall problem depends not only on what is called the GNP but it also depends on the [word indistinct] and on the informal economy, which are pillars of the economy. Nevertheless, we have a serious problem that we have inherited from the last two decades and that is a wait-and-see attitude. The nation receives aid from Salvadorans living abroad, which we understand has formed the economy. I would say that the problem we have now is the attitude toward work, in this new conscious [words indistinct]. We have the reputation of being hard workers, but there are signs of this wait-and-see attitude, those who are just sitting back waiting for the aid to arrive.

[Chavarria] We must develop a productive sector. Undoubtedly, so-called privileged areas can spring up.

[Cienfuegos] There is reason for this concern, because all the reconstruction programs favor specific areas that affect more than 1 million people. Meanwhile, 60 percent of the national territory has been excluded from this aid. There is concern among the mayors who are not included in the reconstruction area, which amounts to over 100 mayorships; that is there are approximately 140 mayorships in the territory without foreign aid. This is a matter of concern.

[Chavarria] That is very true because this would leave over half of the nation out of the development program. That certainly is a problem.

[Bodewing] What is the solution for all those mayorships that are left without foreign aid?

[Chavarria] We are a bit confused because when there was talk about national reconstruction a while back, a member of the [FMLN] secretariat said that you agreed with the national reconstruction program. There was even a proposal that the FMLN travel to Washington to set out the reconstruction program. How is it that the FMLN allowed so much of the population to be left out of this reconstruction program?

[Cienfuegos] The problem lies in that in the post-war era, an emergency program was set up that will last until 1997. The areas affected by the war were declared conflict areas.

The government has a national development program, but international aid programs give priority attention to the conflict areas. We think that with our own initiative we can open a new road. We propose to the people to wage a big struggle to improve the production apparatus as well as services in the zones that were not affected by the conflict.

In addition to this, we have to channel new international aid because this aid has not expired. The Washington agreement establishes aid for four or five years and ends with a contract. This does not mean that we cannot do other work. We are going to work jointly with the government at the international level so that the aid may reach areas it is not scheduled to reach. Municipal development programs also depend on the organizational level of the population.

We see that, with regard to an economic model, the political parties propose a macroeconomic model. But we feel that the main effort in the post-war period must be aimed at developing the municipalities. We want to develop all those municipalities that were not greatly affected by the war.

[Chavarria] Please excuse me for the lightness of my question, I might sound very ignorant, but wouldn't it be like establishing a small kibbutz in the areas where you will be established? This would be the case if Leonel Gonzalez' idea of an economic model in your areas is applied.

[Cienfuegos] You are right to be concerned about the possibility of creating a kibbutz for a privileged few, for an elite. That is not our proposal. But it is a challenge because we had to give priority to the people who are in the areas of conflict. However, it does not mean that these are exclusive areas for development or aid.

We are concerned about this. We do not want them to become a kibbutz because kibbutz' are like cooperatives. We do not want them to become economic fiefs that only care about themselves forgetting the rest of the less-developed municipalities.

Economic expansion in these areas will truly benefit marketing and the circulation of products. For example, this year, this 1993 [year as heard], has been one with the largest production of beans, sesame seeds, and corn in the past 10 years. These crops were grown to the extent that there was a surplus of sesame seeds which resulted in a drop in prices. Thus, if all sectors benefit from this production, everyone will have access to basic grains.

This proves that fiefdoms are not being formed. However, if the economic development is mismanaged, fiefs and privileged sectors could appear.

[Chavarria] Let us stop at this point on this matter, although it is a very interesting subject. I want to remind you that two months ago you promised to tell me and the television audience about the details of the negotiations, particularly with regard to the role that the United States played when the negotiating table was established. We want you to use this opportunity to tell us about these details, about which most Salvadorans do not know.

[Cienfuegos] This is similar to a revelation. It was taboo. It was a forbidden topic to say that the left was negotiating and talking with the United States. It was the most [word indistinct] issue to be talking with the empire. It was a problem for them and for us. After the Reagan era, the Bush era came and it was not foreseeable that we would be able to establish a serious and firm relationship with the current administration. I say this because our traditional relations with the United States was through Congress.

You remember that, since the 1980's, the U.S. Congress always conditioned the aid to respect for human rights. But this is a great battle we won, the one dealing with the terms for military aid. We never imagined, however, that the (?United States) would play so active a role in the final outcome and the official negotiations. The United States had been working on two fronts, the political and the military. We are sure that, if the United States had not decided to leave the political front in favor of the military, the negotiating outcome would have been different from what it was in 1991.

The relationship with the Department of State, through Bernard Aronson, was very private. There was always mutual mistrust. The U.S. policy regarding us was one of gestures [words indistinct]. It was a difficult situation because it was not a public relationship. We dealt with Pete Romero, charge d'affaires at the U.S. Embassy at the time. He is one of the leading private participants. He was designated to become ambassador to Nicaragua but has not yet been approved by Congress. These are the two persons who made a private follow-up visit last year. We held dozens of interviews and spent many working hours with them, all of them in private. This is how all the work began. Privately.

What did this work consist of? It consisted of the U.S. Department of State following up the Salvadoran problem. I think if there is anyone familiar with this country it must be the Department of State. As we did, they had to become familiar with the Constitution, which was (?amended) in April 1991 or 1992. I am not sure. Romero was one of the persons in charge of following up this amendment. They started to make a detailed follow up of the (?agenda). I understand they became experts. I can only imagine how many other people are also involved in becoming experts in so many areas. The Department of State decided to follow up the negotiations. What truly transformed the situation since the talks with them were initiated was that Ambassador William Walker decided, with Lieutenant Colonel Hamilton, in charge of the Agency for International Development, to request (?dialogue) in Cabanas. This was the first political action of a country that intervened in El Salvador, a country that had been intervening militarily in El Salvador. This was a war zone. This was the first strong U.S. gesture, saying they were interested in solving the issue. They visited a territory under our control, not under the control of the Armed Forces or the United States. So they were under the protection of our leadership and our first dialogue with them was held.

This was their first gesture. Starting at this time, August 1991, the United States sent a message for a closer exchange with the Department of State. I came to New York in December. At the end of the talks, what we would describe as a table of peace was set up, where we discussed the mutual mistrust problem.

The entire process of relations with the United States will always be one of mutual mistrust.

The North Americans are very distrustful. I believe that it must be due to their temperament, their Anglo-Saxon temperament, although there is some Italian combination in them. However, there is also mistrust in our temperament and ours is a different type of personality.

However, this mistrust can be overcome through human relations. We saw that in our relations with an empire or a big power, the problem was not only discussing politics but also personal aspects. Then, of course, there was a personal relation with all the representatives of the Department of State. I am talking about September 1991 when the General Command realized that it had to make a decision because the United States had not abandoned the military path although they were convinced that the war could not be won. This is how the last phase began, the famous negotiating table with the United States.

[Bodewing] Who sat at that table?

[Cienfuegos] Personally, I had the responsibility over the private negotiations [words indistinct].

[Chavarria] What was the extent of Aronson's collaboration in this? We were once told that he even had advisory duties during the campaign of the Christian Democratic Party. Did he help a lot in the country's [words indistinct]

[Cienfuegos] The State Department knew about the Salvadoran situation in detail. There is no doubt that [words indistinct] our views. They were the views of the other side and thus they completed the overall picture of the problem when they began to learn about our thoughts and intentions. There was a moment in the negotiations, in December, when to everyone's surprise, the Republican Party—I do not want to make propaganda for that party—went ahead and made a wise decision, it decided to see us. It decided that it was time to negotiate. At that

moment, the United States decided—I do not recall the date exactly, but it was after 24 December—to negotiate. This is why [words indistinct] the last week of 1991, that is when things began to unravel. Without that decision, peace would have been impossible, I think we would be in a different situation.

There was a moment, as I said, that the mistrust was such that, in an act of boldness and risk, we said: this is our proposal. We showed the United States all our remaining secret documents, documents only known to the General Command. We showed them to them. We sent a copy to them. We told Bernie: Here it is. This is our hand. You know that players never show their hand. We practically did not want to [words indistinct] we lay the cards on the table and this is what created some confidence on the part of the State Department.

We saw that they were determined to go on with the negotiations. This is how after a year [four-second break in reception] and this is not customary because we were still enemies and it is not wise, in the political game, to show your cards to the enemy. However, it was a bold, strategic move. It was a surprise. But we did it for the sake of the country.

[Chavarria] Thank you Mr. Cienfuegos for these details about the negotiations. Let us hope that we can continue this conversation on another date. It is a topic our citizens are very interested in, especially now that there is more peace and quiet in the country. Salvadorans want to know all the details that helped peace come to our country.

Guatemala

FAR Commander Says URNG Wants Peace

PA2912171992 Guatemala City PRENSA LIBRE in Spanish 27 Dec 92 p 27

["Summary" of interview with Jorge Ismael Soto, also known as "Pablo Monsanto," commander of the Revolutionary Armed Forces, FAR, and member of the Guatemalan National Revolutionary Unity, URNG, by unidentified PRENSA LIBRE reporter in Mexico City on 18 December]

[Text] [PRENSA LIBRE] How do you see the national situation?

[Soto] The Serrano administration has hardened its policies this year, obviously, because Serrano has not been able to attain a sole internal or external victory. The government has deteriorated very much and has lost national and international credibility. The government economic measures have only benefited the businessmen and have negatively affected the rest of the people.

There are less political opportunities because Serrano has clashed not only with grass-roots sectors—like all regimes that are not democratic or nationalist—but has now clashed with the church, the media, the intellectual sectors....The current situation is one of national and international isolation.

[PRENSA LIBRE] To what do you attribute the isolation?

[Soto] To the failure of Serrano's policies. Serrano's initial messianic attitude that peace and the future depended entirely on him has promoted the situation. He has not wanted to understand that the situation does not depend on the attitude of one person but on the changes that have to be made in the political and economic system.

The country has to be modernized but this does not mean the process has to benefit those who already have resources. It means there must be a process of democratization so that all sectors can participate in the country's political and economic decisions. The situation in the country will not only continue but will get worse, as long as Serrano, the Army, and the country's power sectors do not accept those changes.

[PRENSA LIBRE] How will democratization be attained if the procedures used up to now have resulted in clashes with almost every sector in the country?

[Soto] A process of demilitarization is necessary, as well as the strengthening of civilian society and economic changes. The only way we will solve the current problems and get the country to participate as a prosperous nation in the international sphere is by implementing those changes.

[PRENSA LIBRE] Do you believe the changes that have taken place in the Army during 1992 are a direct result of the peace talks?

[Soto] I could not assert this. I, however, can say that Army changes are needed to avoid plots and stop new power circles from arising and clashing or contradicting with existing power circles.

Jose Domingo Garcia Samayoa does not rule the Army. He has a political, not a military position. The ones who command the Army are the Presidential Command Staff and the Army Command Staff commanders. They are the ones who decide Army policy, strategy, and tactics.

There are many differences in the military institution. It does not enjoy the asserted granitic unity. It is a very divided organization and now, after the current offensive, we believe it will suffer internal cracks. I, however, cannot say how far those differences will go or their consequences on the institution and on Guatemala.

[PRENSA LIBRE] What is happening within the URNG? We recently learned that a group had left the organization.

[Soto] Those reports are only Army gimmicks. It has said many times that the URNG General Command does not control the comrades in the interior of the country. We,

however, have shown that we make the decisions. The Army has also said that command members are all in foreign countries and make decisions at hotels. This is not true. The URNG is inside the country and all the battles, not only the military ones, are fought in the country.

This does not mean that the URNG headquarters does not reflect its true situation. It is an organization comprised of four groups and we have our ideological, political, and organizational differences. Those are, however, not contradictory or opposite but rather complementary.

The differences are part of the organization's ideological and political richness. We do not even discuss those differences. We do not take them into account when we make political decisions.

[PRENSA LIBRE] The government has insisted in changing the time span in the human rights agreements, basically in regard to international verification. What do you attribute this to?

[Soto] The government has placed obstacles in front of those agreements. I do not know why. At the beginning, it was very afraid of the Truth and Past Actions Commission. The military officers believe this commission could destroy the Army and the URNG. They say that just as the URNG can present thousands of human rights violation cases committed by the Army, they too can present an enormous file of charges that point to URNG members.

There are, however, quantitative differences as the officers involved are not only alive but are millionaires. Most of the comrades, who could be pointed out as culprits of crimes in the past, are part of the thousands of dead in the 30 years of armed strife.

The military officers do not want to be looked at by the commission, because they could lose the good life they are living, in which no one dares to accuse them and bring them to trial. Moreover, they could also lose the economic and social privileges they enjoy.

We accept the commission. We are not afraid of the truth. However, the Army and the government delayed discussion of human rights, because they consider the commission to be a destabilizing factor for the government.

We agreed to have the commission become operational when the parties deemed it necessary, whereupon the talks became bogged down indefinitely. The final agreement has not been signed because the government opposes international verification, the stumbling block being the commission.

If such verification existed, it would not be possible to continue the current repression of certain groups, such as the Communities of Resistant People [CPR].

This is all part of the dirty war. There are other examples, such as the trials of military personnel which never come to fruition because judges, witnesses, and lawyers are threatened with death. Anyone who dares to bring the military to trial receives death threats.

[PRENSA LIBRE] Nevertheless, some military personnel have been accused and proceedings have been started against them.

[Soto] Yes, but it is one thing for them to be accused, and another for them to be convicted.

[PRENSA LIBRE] Is there any possibility of a unilateral truce?

[Soto] We cannot declare one until the Army stops attacking us and pursuing its policy of annihilating us militarily. General Garcia Samayoa's trip to Israel to rearm the Army is an example of this. The offensive that is being launched seeks to weaken us militarily. It is claimed we have been defeated, but the Army continues to rearm and to expand. If we had really been defeated, they would not be doing this. This is one of the self-contradictions that Army spokesmen usually commit. We are not as numerous as the Farabundo Marti National Liberation Front, yet the Army has been incapable of dealing us a single strategic blow.

[PRENSA LIBRE] The defense minister said recently that the URNG is obtaining weapons from the Salvadoran guerrillas. Is that true?

[Soto] I wish it were. The FMLN achieved its political goal of establishing a great party that will participate in elections. That is why it has not given us even a single rifle.

We purchase our weapons. There is no place in the world where weapons are not available, especially in Central America. In the United States, there is an enormous supply that Israel has confiscated from the Arabs. It is possible to obtain anything from rifles to rocket launchers, cannons to antiaircraft missiles.

[PRENSA LIBRE] Does the URNG plan to carry out psychological warfare, or has it limited itself to the military sphere?

[Soto] We are carrying out a political-military movement at the national and international levels with clear positions that the government and the Army have so far been unable to describe as impossible to effect in the country. Our strategy is to generalize guerrilla warfare in Guatemala until a political solution to the internal armed conflict is achieved.

We believe in a political solution, but if the Army and the government seek to defeat us militarily, they will never be successful.

[PRENSA LIBRE] Will the war be stepped up?

[Soto] The other side is stepping it up. If the Army and the government do not agree to a political solution, the war will have to be stepped up. They are convinced they can defeat us militarily. If they have not done so in 31 years, they are even less likely to do so now.

The reality of the war is not perceived as much in the city as in the interior. We have not wished to fight in the cities so that there would be no pretext for the repression of certain popular sectors, as occurred in El Salvador. We will not do this, because the city will not be the site of the Guatemalan Army's military defeat; it will be the site of its political defeat.

[PRENSA LIBRE] When will there be a return to the negotiating table?

[Soto] If they do not accept the immediate application of the human rights agreement, the table will be empty. If, however, they want application of human rights and immediate international verification, then we are prepared to sign whenever Serrano is ready to do so.

[PRENSA LIBRE] Is there no point of compromise in this position?

[Soto] No. Human rights must be respected from now on as a guarantee for the continuation of the process. This will give credibility to the process, as well as to the government's claims of political will.

We are waiting for the government to sign the human rights agreement and allow verification by international institutions. In such a case, we could sit down to sign tomorrow, since we are walking around with pen in hand.

Government Reply To URNG Paid Advertisement

PA2912172692 Guatemala City SIGLO VEINTIUNO in Spanish 27 Dec 92 p 32

[Text of Guatemalan Government reply to a paid advertisement by the Guatemalan National Revolutionary Unity, URNG, on delays in the peace agreement negotiations]

[Text] Considering the Guatemalan society's right to know the complete truth behind the peace process, and out of the respect owed to the international community that has offered its continuous support,

Right to reply to the URNG Paid Advertisement.

On 26 April 1991, the Mexico agreement was signed between the government and the URNG, under the auspices of Conciliator Monsignor Rodolfo Quezada Toruno, and the observance of Mr. Francisco Vendrell, personal representative of the UN secretary general. Point No. 1 of the aforementioned agreement establishes:

"The government of Guatemala and the Guatemalan National Revolutionary Unity (URNG) agree to carry out a negotiation process that will allow, in the least possible time, the signing of a firm and lasting peace agreement, duly recording the political agreements, the execution and implementation by both parties, as well as the verification terms by the National Reconciliation Commission (CNR), the UN Organization, and any other other international agency chosen jointly, by both parties".

In developing the discussion surrounding the human rights issue, the so-called points of agreements have been signed, including those dealing with international verification, accepted and signed by the government of the republic as well as the URNG, which in its Point No. 2, literally says:

"Both parties agree to request the UN secretary general oversee the organization and execution of a human rights verification mechanism in Guatemala. This mechanism will be based on the human rights recognized in the Guatemalan judicial ordinances, including all international treaties related to the issue of which Guatemala is part, as well as all principles and declarations on the issue adopted by the UN Organization and the OAS. This mission will be a component of the entire verification by the United Nations which will be started once the firm and lasting peace agreement is adopted".

The government of the republic has honored and will continue to faithfully honor all the agreements and points of the agreement signed by both parties, thereby evidencing its unquestionable desire to reach the prompt signing of a firm and lasting peace agreement.

As a consequence of the agreements as well as the points to agreements signed:

To the URNG from the government of the republic in name of the Guatemalan people,

DEMANDS:

1. Compliance with what has been signed, faithfully abiding by it.

2. Honor and compliance with the procedures established in the Oslo and Mexico agreements.

3. Honor and compliance with the point to an agreement related to international verification, especially, to the part related to once the said mechanism has been set into operation.

4. Relinquishing their attitude of disinformation, of creating confusion among national and international public opinion, and to evidence an unflinching political disposition to accomplish peace, and to cease creating conditions leading to war.

5. Respect for the desire of all Guatemalans to achieve peace, as well as the confidence and support of the international community toward the peace negotiations.

6. The laying down of their procrastination tactics that prevent the signing of the human rights agreement, as well as prolonging the distress of Guatemalan society.

The government of the republic once again evidences its willingness to achieve peace in the least possible time, and for such purpose reiterates the proposals made by President Jorge Elias Serrano on 30 June 1992 to which the URNG has still not yet made a pronouncement.

a. For the government's peace commission, and the URNG to declare themselves in permanent session, meeting every other week, until the general agenda has been fully discussed, and from thereon, to prepare and sign the firm and lasting peace agreement that will bring an end to the internal armed conflict.

b. To undertake an overall discussion of the issues still pending in order to provide order and continuity to the process.

c. Considering the vast experience of the United Nations in the matter, to request a proposal to initiate discussions on the issues related to a definite-cease fire; chronogram of the verification and execution of the agreements; and the demobilization of the insurgency, to be discussed simultaneously at the negotiating table.

[Signed] Peace Commission, Government of the Republic

Defense Minister on Human Rights Issue, Rebels

PA3012005692 Guatemala City Teleonce Television in Spanish 0330 GMT 29 Dec 92

[Text] Defense Minister General Jose Garcia Samayoa said on 28 December he will explain to America's Watch in a meeting with David Holiday, the organization's representative in Central America, his statements about alleged ties between Guatemalan refugees in Mexico, the Guatemalan National Revolutionary Unity, and the Communities of Resistance People [CPR].

Gen. Garcia Samayoa referred to the issue on 22 December. He received a written request from America's Watch the next day, asking him to explain his statements to Holiday. The defense minister referred to this and other issues.

[Begin Garcia recording] We will settle the situation once and for all. I think it is either a misinterpretation or the situation is being used by persons who have tried to take advantage of the circumstances.

We must bear in mind the defense minister showed to the media and international public opinion documents seized from the rebels in the course of military operations. I have not accused anyone. In other words, the situation is totally different.

We will make the necessary explanations in this case but I think the ones who should explain are the rebels. The rebels are abusing the good intentions of people, institutions, and groups that defend human rights.

Our goal as military corps is well known. We must counter the rebels' evil plans to use these situations, obtain benefits for themselves, and create chaos and insecurity. This is what they have always done, particularly in what they call the CPR, which I call communities of people controlled by rebels. [end recording]

Bishops To Urge URNG To Speed Up Peace Process

PA3012042392 Guatemala City PRENSA LIBRE in Spanish 29 Dec 92 p 3

[Text] The bishops of Guatemala will urge the government of President Serrano and the command of the Guatemalan National Revolutionary Unity to accelerate the negotiation process and stop the internal armed confrontation.

Metropolitan Archbishop Monsignor Prospero Penados del Barrio will do so on behalf of all catholic bishops of Guatemala on 1 January during his homily to mark Peace Day.

Msgr. Penados on 28 December said the Catholic Church will mark Peace Day, as will others throughout the world, and urge the Guatemalan Government and guerrillas to end the fighting definitely and will convey a message from Pope John Paul II.

The marking of Peace Day on every 1 January was established by Pope Paul VI. The homily on the upcoming Peace Day will be held under the slogan "If You Want Peace Approach the Poor."

Penados added the country's political outlook is grim. He did not rule out that increases in transportation fares and electricity rates could lead to social explosions.

On 28 December, the metropolitan archbishop said the Guatemalans who are members of the Communities of Resistant People (CPR) do not belong to the Guatemalan guerrillas.

Although he did not rule out the possible infiltration of guerrillas in those communities, the archbishop added they are "local refugees" living in extreme poverty.

He pointed out that Msgr. Julio Cabrera, catholic bishop in Quiche Department, where the CPR are headquartered, is in charge of assisting these people and has witnessed the difficult situation they face.

Msgr. Penados said he met with President Serrano on 21 December to discuss the situation of Guatemalan refugees residing in Mexico.

Penados said he visited refugee camps recently with Jalapa Bishop Msgr. Jorge Mario Avila, a member of the repatriation commission.

Penados confirmed that the refugees wish to return to Guatemala. He added that the president said the government will distribute land among them and offer them economic assistance during the six months following their repatriation.

It has been announced that some 5,000 Guatemalan refugees residing in southern Mexico will start returning on 13 January.

'Sources' Name Economy Minister, Bank President

PA2912145292 Guatemala City SIGLO VEINTIUNO in Spanish 24 Dec 92 p 3

[Text] On 23 December, unofficial sources confirmed the appointment of Mr. Lizardo Sosa Lopez as the future president of the Bank of Guatemala and as president of the monetary board. Mr. Sosa Lopez will be replacing Federico Linares Martinez.

In addition, it was learned Gustavo Saravia will be appointed as economy minister, a post currently occupied by Mr. Juan Luis Miron.

Mr. Sosa Lopez was the president of the Bank of Guatemala during the administration of Vinicio Cerezo Arevalo. He also was the economy minister.

Nicaragua

D. Ortega Rejects Proposed Political Truce

PA2912165792 Managua BARRICADA in Spanish 28 Dec 92 pp 3, 8

[Report by Carlos Garcia Castillo]

[Text] On 27 December, former President Daniel Ortega Saavedra rejected the proposed "truce" among political parties because those parties will never reach an agreement.

Their "political selfishness" makes them "put their particular interests before the Nicaraguan people's overall interests," he stressed.

In a speech to hundreds of residents in Cofradia, Masaya, Ortega said the proposed "political truce" makes no sense and "is not feasible," because many of the current political parties are not willing to discuss production or employment to end hunger and poverty.

According to Ortega, it is important to conduct efforts in the economic and social fields in order to have stability in Nicaragua. "If there is a national economic and social agreement, political parties will have no other choice than support it because otherwise they would be left alone," Ortega said.

"Those who produce the country's wealth are the ones who can make a national agreement possible," Ortega noted. He urged the government to make viable an economic truce between the workers, producers, and the state.

The government must begin by resolving once and for all the property problem, which is linked to economic factors— such as indentifying those whose properties were confiscated—in order to achieve stability next year, Ortega said.

He added the Sandinist National Liberation Front hopes in 1993 the state of law—violated by the National Assembly through Alfredo Cesar's illegal actions—will be recognized and strengthened.

Ortega said President George Bush's decision to pardon the main persons who were obviously implicated in the Iran-Contra affair shows "total contempt" for U.S. laws.

"We are not surprised by Bush's decision, because he was characterized by his disregard, not only of U.S. laws, but of international laws as well," Ortega stressed.

"Looking at the future, our reflection is that we hope the U.S. people will have the honesty and courage of admitting the grave crimes that many U.S. Governments have committed in their name, violating international and U.S. laws," Ortega said.

He added Bush decided to pardon those who illegally participated in arms trafficking to finance the Nicaraguan contras because he feared being arrested after leaving the White House.

Panama

Supreme Court Releases Cruz; Maintains Suspension

PA2912223692 Panama City Telemetro Television Network in Spanish 2209 GMT 29 Dec 92

[Text] Dear listeners, we interrupt this program to issue a last minute report. The Supreme Court of Justice [CSJ] decided a few moments ago to suspend Solicitor General Donatilo Ballesteros' measure separating Attorney General Rogelio Cruz from his post.

We repeat, the CSJ met this afternoon and decided to release Attorney General Rogelio Cruz, among other things. The CSJ has decided to suspend the precautionary measure that put Rogelio Cruz under house arrest.

The CSJ has also decided to render null the measure adopted by Solicitor General Donatilo Ballesteros concerning Cruz' separation from this post.

The CSJ has decided to maintain Cruz' suspension pending further investigation.

We repeat, the CSJ has released Rogelio Cruz, eliminating the precautionary measure that placed him under house arrest. It has also annulled the solicitor general's

decision to separate Cruz from his post; but it decided to maintain Cruz' suspension until the case is further investigated.

Cruz Comments on Court Decision

PA2912230392 Panama City Circuito RPC Radio in Spanish 2225 GMT 29 Dec 92

["Exclusive" telephone interview with suspended Attorney General Rogelio Cruz by Juan Daniel Gonzalez in Panama City—live]

[Text] [Gonzalez] Good evening, RPC Radio listeners. We are here with Attorney General Rogelio Cruz, who will give his views about the Supreme Court of Justice [CSJ] decision to suspend the precautionary measure decreed against him on 24 December. Dr. Cruz, could you give us your opinion on this?

[Cruz] I thank you and all your listeners. I have not read the text of the CSJ resolution, which was apparently issued a few minutes ago. We will wait until 30 December so we can read the complete text and evaluate the resolution. We have not been surprised by the decision because, just like the other measures taken by Solicitor General Donatilo Ballesteros, they are simply absurd and do not fall within the law. They are totally devoid of legal grounds and facts. So we are not surprised. But we are not happy because our ultimate goal is the revocation of the arbitrary suspension order and our return to the post of attorney general of the nation.

[Gonzalez] Dear listeners, this was the first reaction by Attorney General Rogelio Cruz on learning the CSJ suspended the precautionary measure taken against him. Just one more question, Mr. Attorney General. What additional steps must be taken by the CSJ to settle your situation?

[Cruz] If the CSJ revokes the suspension, then the issue is almost settled. If it fails to do so, then it must evaluate the summary or request more information.

We would use this opportunity to present the evidence we have and the file would eventually return to the CSJ, which would then have the option of ordering a provisional stay of proceedings or a trial.

We are still interested in having the CSJ summon us to trial. We do not want a stay of proceedings because of a lack of evidence. We do not want the file shelved due to lack of evidence. We want a trial and we want a public hearing so the CSJ may either condemn or acquit us. That is our ultimate goal.

Magistrate Comments on Ruling

PA3012022792 Panama City Circuito RPC Radio in Spanish 2243 GMT 29 Dec 92

[Statement by Supreme Court Magistrate Aura Emerita de Villalaz at the Supreme Court of Justice building in Panama City—live]

[Text] Based on Articles 203 and 220 of the Constitution, members of the Attorney General's Office, judges, and judicial branch magistrates can only be suspended, detained, or arrested by competent legal authorities. The Attorney General's Office cannot take such an action. The solicitor general acted without any legal basis. The court is the only office authorized to dictate such measures.

We believe the case concerning the secretary general for narcotics should have been [word indistinct] because the solicitor general is not authorized to investigate this official. The circuit court prosecutor's office is the competent body to investigate the secretary general for narcotics—in the supposed case that he had committed a crime.

We decreed the suspension of the charges against Attorney General Rogelio Cruz Rios because we believe that the crime with which he was charged is linked to the exercise of his office.

Legislator Supports Release

PA3012013692 Panama City Circuito RPC Radio in Spanish 2236 GMT 29 Dec 92

[Interview with Legislator Olimpo Saez, president of the Legislative Assembly's Foreign Relations Commission, by journalist Hugo Henriquez at the Legislative Palace in Panama City —live]

[Excerpt] [Henriquez] A few minutes ago the house arrest order against Attorney General Rogelio Cruz was lifted. What is your first reaction?

[Saez] I support the measure by the Supreme Court of Justice because it is lawful and because it will reverse an illegal act by the solicitor general, as pointed out by constitutional expert Cesar Quintero and other Panamanian lawyers, who said the measure was arbitrary and illegal. The Supreme Court of Justice could not maintain that preventive measure issued by the solicitor general. For those reasons, I support the Court's decision.

I think we must resolve the main problem presented by the solicitor general. I believe that to put an end to the campaign surrounding the Attorney General's Office and the attorney general, the Supreme Court should call Rogelio Cruz to trial and should resolve the pending conflict by deciding if he is guilty or innocent. That would resolve a problem for Panamanian justice. For the attorney general, it would resolve a political problem created by this conflict and an international policy problem. This problem emerged as a result of a U.S. Government measure through the DEA, which ordered the freezing of local and foreign accounts without presenting evidence showing that those frozen accounts were obtained from drug trafficking. According to the law, those frozen accounts must be released two months later if no evidence is presented, because no government can withhold nongovernmental funds that belong to private citizens.

[Henriquez] Are you saying there was nothing illegal about the release of funds to suspected drug traffickers?

[Saez] I am saying that the unfreezing of funds is not a crime. It is a crime when the accounts are linked to drug trafficking, but this must be proven. What happened, my dear journalist, is that after 20 December 1989 the gringos ordered the freezing of thousands of accounts owned by foreigners and Panamanians, but in three years they have not presented evidence proving that those funds were obtained illegally. The lawyers representing the owners of those accounts have filed suits against the Panamanian Government and the attorney general has had to release those funds to comply with the law. The law says frozen accounts must be released after two months if no evidence is presented to start a legal process. The attorney general acted in accordance with the law.

[Henriquez] It is said the attorney general has no authority to release accounts.

[Saez] No, the law says that if there is a legal case, it must be settled before a judge. If no legal case is opened, it cannot be sent to a judge. In this case the accounts were released because there was no evidence proving the funds were obtained illegally. Lawyers representing the account holders can demand the release of those funds, and the attorney general must release them because of a lack of evidence. This has happened in Venezuela, Colombia, and the United States. Accounts there have had to be released because of a lack of evidence.

This is the only country where this kind of situation has caused a big uproar. The reason for the uproar is that there is a political, economic, and personal conspiracy against the Attorney General's Office. The people behind the conspiracy have triggered a sea of problems that have negatively affected our country's image in the international sphere and have caused problems in the country.

[Henriquez] Finally, Mr. Legislator, a collateral problem has arisen in regard to the measure. The attorney general, who has been suspended from his post, does not have any bodyguards, and as the house arrest order was lifted he does not have the security that is given to authorities. What is the attorney general's security situation and what should the authorities do about it?

[Saez] I believe the Supreme Court of Justice, with the authority vested in it, should provide the attorney general and his family with protection. He has only been suspended from his post. No evidence has been presented to show he has committed a crime. Thus, the Supreme Court of Justice should order that he and his family be given protection. The authorities would be accomplices, because of their lack of foresight, if the attorney general or his family is attacked. [passage omitted]

Supreme Court Magistrate on Alvarez Ruling

PA3012043692 Panama City Circuito RPC Radio in Spanish 2241 GMT 29 Dec 92

[Statement by Supreme Court Magistrate Manuel Jose Faundes at the Supreme Court of Justice building in Panama City—live]

[Text] A writ of habeas corpus was presented to us in favor of Ariel Alberto Alvarado [Secretary General for Narcotics at the Attorney General's Office] by his lawyer, Jorge Luis Lombardo. The document states that the house arrest decreed by the Solicitor General against Alvarado is illegal because the Solicitor General is not the competent authority to issue such an order.

The Supreme Court has duly studied and examined the case. We checked the legal dispositions on the habeas corpus and the procedures that were followed. The Supreme Court of Justice plenary has agreed that, decidedly, the Solicitor General is not the competent authority to decree a house arrest against Alvarado.

Supreme Court Magistrate Denies Blackmail Attempt

PA3012004992 Panama City LA PRENSA in Spanish 29 Dec 92 p 3

[Report by Jose Quintero De Leon]

[Excerpt] Magistrate Carlos Lucas Lopez, president of the Supreme Court of Justice, stated on 28 December during a news conference that he has never been the victim of attempted blackmail related to any criminal case. He added that no one can blackmail him since nothing punishable connects him to the case of former Captain Jose Maria Chaverri.

His answers were in reply to the first statements made by suspended Attorney General Rogelio Cruz Rios on 26 December. Cruz stated that there had been an attempt to blackmail Lucas Lopez by linking him to the death of former Capt. Jose Maria Chaverri and his two small children.

According to Lopez, he has been trying to explain more about the case, but there is not much more to add to what the Supreme Court of Justice already knows about the case. He said there is nothing hidden that could eventually be used as blackmail against him.

With respect to the cases Cruz mentioned having started but that never made any progress in the Supreme Court because they were filed away, Lopez said that cases are received and resolved according to their specific natures.

On the other hand, new Attorney General [Jorge Ramon] Valdes, took his new offices on 28 December under strict security measures and avoided making any statements to the media.

Special Prosecutor Carlos Augusto Herrera, Penonome District Attorney Rolando Rodriguez, and Technical Judicial Police (PTJ) Director Jaime Abad, met with Mr. Valdes in his office.

National Bar Association President Jose A. Alvarez called on the National Assembly to investigate the serious charges made by suspended Attorney General Rogelio Cruz because it is a historic moment to start an investigation and the Panamanian people have the right to know if Cruz has any evidence.

When questioned about the role the head of the executive branch should play in this crisis of the Panamanian justice system, Alvarez stated that when these problems started to develop, Guillermo Endara was notified and should have taken appropriate measures, but he never did.

Mr. Alvarez believes Endara will let everything continue as it has. He also believes that if tomorrow certain people become entrenched in the Attorney General's Office, Endara will be the next person to be put on trial and, because of the passivity he has displayed, "he will not even notice it." [passage omitted]

Linares Says Amnesty Would Set 'Bad Precedent'

PA2912194792 Panama City EL PANAMA AMERICA in Spanish 29 Dec 92 p 1A

[Report by Arnulfo Barroso Watson and Carlos Vargas]

[Text] Foreign Minister Julio Linares warned on 28 December that it would set a "very bad precedent" in this country to approve an amnesty while trials are still pending. His counterpart, Public Works Minister Alfredo Arias, a ranking Arnulfista figure, said that "if there are no political prisoners there can be no amnesty."

Linares underlined that the approval of an amnesty would be a very bad precedent because it would teach youths that what matters is impunity and that political circumstances could erase any wrongdoing.

Linares added that he disagrees with the initiative because the courts should prosecute those individuals with pending cases and based on trials acquit those who deserve acquittal and punish those whose crimes are proven.

Meanwhile, Public Works Minister Alfredo Arias asked only about the existence of political prisoners and the need for an amnesty.

Government and Justice Minister Juan Chevalier said the amnesty will not resolve the country's problems.

Legislative Assembly President Lucas Zarak said he would be willing to sign the Amnesty Law if the existence of political prisoners is proven.

Zarak said he would be willing to grant amnesty to political prisoners but denied the existence of a pact with the Democratic Revolutionary Party to approve the amnesty prior to 31 December 1992.

Meanwhile, Legislator Arnulfo Escalona, president of the Authentic Liberal Party, said the initiative would not be approved because "there are not enough votes to approve that law" at the legislature.

Roberto Garibaldo of the Nationalist Liberal Republican Movement, Molirena, and first vice president of the Assembly, said he would not approve the amnesty until all the people accused of crimes in Panama have been prosecuted.

Gloria Moreno de Lopez, vice president of the Christian Democratic Party, said that approval of an amnesty would constitute a "joke" on the people's desire for justice.

She said an amnesty cannot be approved "wildly," thereby releasing common criminals.

On 28 December a group of relatives [of political prisoners], civilians, and former soldiers of the past regime, went to the Justo Arosemena Palace to support approval of an amnesty, but the legislature did not hold a session due to a power outage.

Police Increase Security at 'Sensitive' Locations

PA2912212592 Panama City Telemetro Television Network in Spanish 1730 GMT 29 Dec 92

[Excerpt] The National Police have stepped up vigilance at sensitive installations to prevent terrorist attacks. Here is what Juan Chevalier, government and justice minister, has said:

[Begin recording] [Chevalier] It is regrettable that at this stage of the game, there are still Panamanians who do not want to have peace and harmony for this country to develop. It is regrettable that they are engaged in terrorist actions that do not harm the government. The government is not being harmed. It is the whole community that is being harmed. All Panamanians are being harmed. Those unfortunate people of San Miguelito and Samaria, the people who have a factory in Juan Diaz who are left without power, they are the ones being harmed. It is not the government, it is the community that is being harmed. These are measures taken against the people, not the government.

There has always been vigilance but now it has been stepped up, as can be expected. We want to avoid surprises. We cannot guarantee the community—and in this regard we must be very honest—that we have the situation totally under control. No one in the world has total control against terrorism. The other day I mentioned that the best police force in the world is Scotland Yard in the United Kingdom; I think we all agree on that. Nevertheless, a bomb was placed at the very front door of the prime minister's office. [words indistinct] very difficult. [passage omitted] [end recording]

Article on Drug Trafficking, Money Laundering

PA2912184592 Panama City LA PRENSA in Spanish 29 Dec 92 p 14A

[Article by Ebrahim Asvat from the "Opinion" column: "Drug and Money Laundering in Panama"]

[Text] Three years after the restoration of Panamanian democracy, the course of the Panamanian State follows the same political ups and downs as its actors.

Within the framework of a state that has been able to achieve noteworthy economic growth during the last three years, the questions that have risen with respect to this growth have been the subject of discussion by local and foreign sources.

Recently, U.S. Ambassador to Panama Deane Hinton pointed out that the sectors with the most significant growth were also those that have been undermined by drug trafficking. That is, the Colon Free Zone sector, the construction sector, and the banking sector. If this is the case, everything indicates that the U.S. invasion of Panama did nothing to change what a journalist once termed the "Bridge of Drug Trafficking, Heart of Money Laundering" in reference to Noriega's Panama. In this manner, the U.S. ambassador reiterates the failure of his term in Panama as it relates to accomplishing one of the objectives of the invasion. Despite the impressive seizures made by the Technical Judicial Police [PTJ] as well as the General Customs Directorate, the drug scourge continues to flow easily through the country, in quantities even greater than in those days when Panama was used as a transit area. Cocaine prices have decreased to one Balboa for each "pass" [pase], and retail sales has reached every neighborhood of the main cities.

Understood from the perspective of the liberal economic policy of the current administration, Adam Smith's invisible hand has escalated the drug problem on Panama's streets to the point where, while during the Noriega regime it was an exclusive monopoly of the former Panama Defense Forces [FDP], today it is a uncontrolled supply market. Everything indicates that there is no strategy to fight drug trafficking in Panama, and that U.S. assistance for such purposes has been ineffective. At any rate, the consequences of drug trafficking through Panama, and the rising criminal violence rates, a product of drug trafficking, continues to generate negative effects on the Panamanian population.

Hand in hand with this type of world, there is another more subtle and classy world. The world of money laundering which everyone knows exists, but no one dares to acknowledge it. The most influential economic and professional interests take refuge in this world. The local and international drug gangs take refuge in the first world. In the second world, we have the manifest relation between Panamanian society of international services and money that does not release a scent or leave tracks. There is something very foul in Panama that surpasses the invasion and the narcodictatorship, "the narcoculture" that envelops Panamanian society, and which under the apparent disguise of a service economy is slowly taking over society and the Panamanian state. The drug trafficking multinational consolidates its strength in Panama. The sad truth is that its economic strength already is capable of taking over the political apparatus. Just as has occurred in other countries, and even with the U.S. presence in Panama, as we can see, there is nothing to prevent this from taking place.

Argentina

Bus Carrying Jewish Children Attacked in Cordoba

PY2912205392 Buenos Aires TELAM in Spanish 1815 GMT 29 Dec 92

[Text] Buenos Aires, 29 Dec (TELAM)—The Delegation of Argentine-Jewish Associations (DAIA) has voiced "its strongest repudiation" of the anonymous attack on a bus in Cordoba. The bus was carrying Jewish grade school children and a 13-year-old girl was hurt.

"We deplore this unfortunate incident, which is not in keeping with the atmosphere of peace and coexistence that prevails in Argentina," DAIA President Ruben Beraja said. He added: "This is a sensitive issue and we are assessing it as calmly as possible."

The incident reported today happened at 2230 [0030 GMT on 28 December] local time on 27 December when students from Tal Piot School in Buenos Aires were returning from Cosquin, where they had been vacationing for a few days.

The bus had gone some 500 meters into Punilla, a town 50 km from Cordoba city, when shots and the sound of breaking glass were heard.

The bullets went through the central part of the bus at window height so none of the passengers were hit. Some flying bits of glass, however, cut the face of Deborah Sabag, 13, who was given medical care at the regional hospital.

It was reported in Buenos Aires that the bus continued its journey under police protection shortly before midnight and arrived at its final destination without any further problems on the morning of 28 December.

DAIA leaders asked police and the government of Cordoba Province to investigate the attack in order to discover the culprits.

President Menem Returns From Mercosur Summit

PY2912132292 Buenos Aires TELAM in Spanish 2034 GMT 28 Dec 92

[Text] Buenos Aires, 28 Dec (TELAM)—President Carlos Menem arrived at 1815 at the military base of the Jorge Newbery Metropolitan Airport. He returned from Uruguay, where he attended the Common Market of the South presidential meeting.

Menem, who declined to speak to the press, was the first president to return home.

Cavallo Defends Menem Reelection, Economic Program

PY2912142592 Buenos Aires TELAM in Spanish 1811 GMT 28 Dec 92

[Excerpt] Cordoba, 28 Dec (TELAM)—Economy Minister Domingo Cavallo today reiterated his honest support for the reelection of President Carlos Menem. He said: "No economic program implemented in the past few decades in Argentina has reduced poverty as much as this plan."

He added: "The best way to continue the superb political, economic, and social transformation which is taking place in Argentina is the reelection of President Menem. In this case, I would accompany him, perhaps as his economy minister." [passage omitted]

Brazil

Senators Vote To Continue Collor Impeachment Trial

PY3012014692 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 29 Dec 92

[Excerpts] Brazil has replaced its president in less than four hours. After having been removed from office 89 days ago to be tried on malfeasance-in-office charges, President Fernando Collor de Mello resigned and President Itamar Franco was definitively installed.

Here is Carlos Nascimento's live relay from Brasilia:

[Begin relay] [Nascimento] The Collor administration's 1,020 days in office ended at 0930 [1130 GMT] today. Collor resigned shortly after his trial in the Senate began. The trial on malfeasance-in-office charges, however, continues. [passage omitted]

[Unidentified reporter] [passage omitted] As soon as the questioning of former Central Bank President Francisco Gross began, the defense lawyer interrupted him. It was 0930 when, on his client's order, the lawyer began reading a decisive message handwritten by the removed president. [passage omitted]

The session was immediately suspended. Senator Mauro Benevides summoned Congress to read the resignation, which was a decisive deed, but the trial was not continued. The session was suspended for four hours. When it resumed, the culprit was no longer the president of the Republic. He had lost his mandate. Would he, however, lose his political rights? This was another aspect of the sentence. The tribunal differed on the legal and political aspects of the trial. [passage omitted]

The senators approved the continuation of the trial with 73 votes in favor and eight against. The lawyer appointed by the culprit requested the help of Inocencio Martires Coelho, public defender appointed by the impeachment process president. The questioning was

thus resumed at the same point it had been interrupted: former Central Bank President Francisco Gross' testimony.

[Nascimento] Here is Alexandre Garcia's live relay from Congress in Brasilia:

[Begin relay] [Garcia] The questioning of the witnesses continues. It began at 1800. After Gross' testimony, former Federal Revenue Secretary Luis Fernando Wellisch was questioned. Former Federal Police Secretary Romeu Tuma now is being questioned on an investigation already conducted by the Federal Police. Each witness is being questioned for an average of 40 minutes. Public Defender Coelho, who is assisting Collor's lawyer, is asking the questions, which the senators hand to him through impeachment process head Sydney Sanches. Expert Tito Livio Gomes still has to be questioned. This stage will end at about 2100. [end relay]

[Nascimento] The attorney general has asked the Federal Supreme Court, STF, to immediately begin former President Collor's trial on common crimes charges. Within the framework of this inquiry, Fernando Collor will appear before the courts as an ordinary citizen.

Attorney General Aristides Junqueira wants the STF to immediately order the preventive arrest of Paulo Cesar Farias, Claudio Vieira, and Roberto Maciel [Farias' driver]. A request in this regard was filed at the STF on 12 November. Junqueira also is requesting that the common crime inquiry begin immediately and that all the accused parties, including former President Fernando Collor, be notified. Junqueira fears further delays in beginning this trial.

[Begin Junqueira recording] This sort of inquiry is normally slow. If it is further complicated by the difficulty in notifying and locating the accused parties and in obtaining their written answers to the notification and, worse still, if the STF receives more charges and has to question more witnesses, it will last much longer. [end recording]

The attorney general added that he sees no reason to request former President Collor's preventive arrest too. If Collor is notified, he will have to report to the courts about any possible trip abroad. Now that Collor has resigned, the STF can immediately begin an inquiry against him and no longer needs the Chamber of Deputies' authorization to do so.

Here is another live relay by Alexandre Garcia from Congress in Brasilia:

[Begin relay] [Garcia] The last witness currently is being questioned. After this stage, the defense and prosecution lawyers will have two hours each to present their arguments, and each senator will have 10 minutes to address the floor. It is believed, however, that no one will make use of all this time. Only after everyone has spoken will the final voting—the trial itself—take place. Hopefully, this stage will be reached before 0000 tonight. What is being discussed now is no longer Collor's mandate, but the punishment to be bestowed upon him: eight years away from political life. [end relay]

Collor Political Rights Suspended

PY3012123092 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 30 Dec 92

[Text] The Senate has suspended former President Fernando Collor's political rights. In a session that ended during the early morning hours today, the Senate approved a measure suspending Fernando Collor de Mello's political rights for eight years. The vote tally was 76 votes for the suspension and three against it. During the suspension period, Collor will not be able to run for any public position. The vote, which ended at 0400 this morning, closed a session that had extended throughout the entire day yesterday.

Prosecution lawyer Evandro Lins e Silva even waived his right to reply to the arguments made by defense lawyers Jose de Moura Rocha and Inocencio Martires Coelho's in order to shorten the procedures. The prosecutor and defense lawyers' pronouncements were followed with great attention by the senators, who shortly before had approved the continuation of the trial despite Collor's resignation, in order to decide whether to suspend Collor's political rights, as provided for in the Constitution.

Testifying for the defense were former Central Bank President Francisco Gros; Luiz Fernando Wellisch, former national finance secretary and Savings Bank president; handwriting expert Tito Livio Gomide; and former Federal Police Secretary Romeu Tuma. Gros and Wellisch did not provide much more information to clarify senators' questions. Handwriting expert Gomide guaranteed the authenticity of the documents on the Uruguay operation: the loan contracted by former President Fernando Collor de Mello to finance campaign expenditures and which was later used to pay his personal expenses. Police Secretary Romeu Tuma reported that a diskette found in one of Paulo Cesar [PC] Farias' desks revealed how the PC scheme operated within the government.

Once defense and prosecution lawyers ended their arguments, Justice Sidney Sanchez opened a period of debate by the senators. At the end of the debate the senators voted to suspend former President Collor's political rights.

Foreign Investors 'Unsure' About Economic Future

PY2912231292 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Dec 92 Section 1 p 4

[Article by Antonio Carlos Seidl]

[Text] The international community is nervously awaiting the final decision on the course that Brazilian economic reforms will take. International investors are unsure about Brazil's economic prospects in 1993. They

believe the country will lose ground to its other Latin American partners in the competition for foreign capital.

According to what representatives of large international consulting firms told FOLHA DE SAO PAULO, President Itamar Franco so far has been unable to give foreign investors a clear picture of his economic priorities.

The representatives stated that Brazil will receive practically no foreign capital in 1993, while it should have been attracting the same kind of investments Mexico is expected to obtain, that is, approximately $20 billion.

Foreign investors believe Brazil will go through several crises in 1993 because the political agenda, which will include decisions on the type of government, the fate of political parties, and a review of the Constitution, could well take precedence over economic reforms on the list of priorities.

The international community is worried by the lack of decisions regarding the course of the economic policy and the preeminence of the political agenda. The signs that show President Itamar Franco willing to stimulate economic growth without first balancing government accounts indicate that there could be a slight economic recovery during the first half of 1993 followed by soaring inflation toward the end of the year.

Analysts believe the country will continue to grow at very low rates, between 0 and 2 percent of the gross domestic product—the sum of all goods and services produced in the country—amid very high inflation rates, between 25 and 35 percent per month.

Minister Says Franco Not To Change Economy

PY3012022392 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 29 Dec 92

[Text] The Franco administration will begin with difficulties in the economic field, but the planning minister has asserted there will be no changes in the economy.

The economic agents can sleep peacefully because the speech President Itamar Franco will deliver tomorrow is based on this document, which presents no magic solutions to the economic problems. The government's plans to resume economic growth and fight inflation are known to all: to implement the fiscal reform and the financial system reform, and to search for solutions to the problem of the federal government and the state governments' debts.

The president will clearly say there will be no price setting or freezing.

[Begin Haddad recording] The president is not willing to implement any economic measures that, although ensuring fruits in the short term, may disorganize the economy only a few weeks after they are implemented and begin to lose their effect. [end recording]

Minister Paulo Haddad probably will remain at the head of the two economic area ministries—the Finance and Planning Ministries—at least until mid-January. President Franco may postpone the appointment of the new economic area minister until the beginning of February, when the first inflation figures in this new stage of the government are reported.

Record Shipment of Marijuana Seized in Sao Paulo

PY2912220292 Rio de Janeiro O GLOBO in Portuguese 28 Dec 92 p 5

[Text] Sao Paulo—The state Narcotics Department (Denarc) reported yesterday on the largest marijuana shipment seized in Brazil this year. The shipment is worth 600 million cruzeiros. The 2.48 kg of marijuana, apparently of Paraguayan origin, were to have been delivered to the Red Command criminal organization in Rio de Janeiro.

The marijuana was being carried under the fake bottom of a truck, license plate AW 4579, from Florianopolis. The driver was Joao Pereira da Silva, 26, who was caught red-handed and jailed at the 17th Police Precinct (Ipiranga). Denarc agents seized the truck on the Tiete Beltway, in northern Sao Paulo, as a result of an anonymous report Denarc received one week ago.

The truck's driver claimed he did not know the vehicle was carrying marijuana instead of wood. He said he was hired by a man called David to take the truck from Amambai (MS) [Mato Grosso do Sul] to Caraguatatuba on the coast of Sao Paulo State. Police have a clue to the drug's final destination and its origin: The anonymous informer mentioned Mata Sete, a trafficker well known in the Sao Paulo's ABC region [industrial belt known as Santo Andre, Sao Bernardo, and Sao Caetano], as the middleman acting on behalf of the Red Command. Denarc reported that it will step up drug enforcement in view of the approaching Carnival season during which drug consumption increases.

Franco Appoints Rio Doce Valley Company Chairman

PY2912220692 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Dec 92 Section 1 p 8

[Text] Brazilian President Itamar Franco has appointed Francisco Jose Schettino as the new chairman of Rio Doce Valley Company. Schettino is a retired employee of the company. The president asked Schettino to develop employment programs and invest 8 percent of the company's net profits to finance the development of the region where the company operates. Investments in regional development had been reduced to 2 percent.

Survey Shows Many Undecided on Type of Government

PY2912234692

[Editorial Report] Sao Paulo FOLHA DE SAO PAULO in Portuguese on 27 December carries on page six of Section One a 600-word report written by Andrew Greenless on a survey conducted by DataFolha concerning the people's preferences for systems of government only four months before the plebiscite on the system of government is held. The article does not state how many people were surveyed. According to DataFolha, "38 percent of those surveyed would rather have a prime minister as head of government, 35 want power to rest with the president of the nation, and 25 percent are undecided." The survey also showed that only 30 percent of people with an elementary school education are in favor of a parliamentary system of government, while among those with higher education 58 percent would vote for this system. Only 20 percent of the people surveyed had a clear idea of countries with parliamentary systems of government. The survey showed that the parties with the largest percentage of members in favor of a parliamentary government are the Brazilian Social Democracy Party and the Workers Party.

Colombia

Further on 28 Dec Car Bomb in Medellin

PA2912183792 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 29 Dec 92

[Text] Medellin ends the year without a truce. On the night of 28 December, the fourth car bomb since the beginning of December exploded in Medellin. Two persons were killed and 50 were injured in the explosion.

History repeats itself. A car bomb loaded with 80 kg of dynamite exploded in a residential area in Medellin as a police patrol passed the area. The terrorists waited for two patrols to arrive at the home of a judge at the intersection of 55th street and Route 67 near the stadium. At approximately 2200 they detonated the bomb hidden in a vehicle. The explosion hit only one of the patrols. The other, with 10 policemen aboard, escaped and immediately pursued the terrorists who fled in two vehicles. Here is what one of the unidentified surviving policeman said:

[Begin policeman recording] We were behind the other vehicle, we were waiting....[pauses] Suddenly I saw a very big light and we felt an explosive wave that knocked us off our motorcycles. I have a wound on my foot. [end recording]

Although this is the fifth [number as received] car bomb that has exploded in Medellin since December started, and a total of 69 police officers have been killed in the past two months, the police officers themselves stress that they will not let up in their struggle against the criminals. Christmas continues to be overshadowed by terrorism for Antioquia residents. The Paisa [name given to Antioquia natives] community is terrorized by violence that turns up at any time and in any place.

Government To Begin Restructuring Institutions

PA3012123392 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 29 Dec 92

[Text] A difficult task awaits the Gaviria administration as it sets off to try and restructure and modernize government agencies and institutions. A total of 61 decrees gives the government the authority to close some institutions, merge others, and create new ones. There will be massive firings of unnecessary employees. Immorality, administrative disorder, and excessive red tape at government agencies is what led the new Constitution to put in order that which was in disorder. That is why the government on 29 December, by way of 61 decrees, established that approximately 15 entities will disappear while others will merge. It will also restructure the ministries so they do the job they were created to do. It was determined that the National Transportation Institute, which has the highest level of corruption, must disappear, along with the Cinema Financial Fund, the Administrative Department of Civil Aeronautics, Prosocial [expansion unknown], and the Rural Road Construction Fund, among others. Their duties will be absorbed by other government entities and ministries.

While some disappear, others are born, including four new vice ministries—one at defense, one at economic development, and two at foreign relations. There also is a plan to strengthen certain agencies, such as the Administrative Department of Security. The Defense Ministry will pay close attention to controlling private security agencies. The payroll of the restructured entities totals 1,000,000 employees.

[Begin Jorge Garcia, a special adviser on compensation, recording] An estimated 20,000, perhaps less, government employees will be dismissed as a consequence of these decisions, two percent of the total payroll. The government has established a compensation system for the employees who will be dismissed, which is the same system used for employees in the private sector who are dismissed without justification. [end recording]

However, there is doubt whether the three year period set for the state modernization plan will be enough or whether it will cause trauma in the restructuring of public administration instead.

ses EC Restrictions

PA3012031792 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 29 Dec 92

[Interview with Foreign Trade Minister Juan Manuel Santos by unidentified reporter on "The Figure and Report of the Day" program—live]

[Text] [Reporter] Good morning, Mr. Minister.

[Santos] Good morning.

[Reporter] How is the year ending with regard to the Latin America versus EC conflict over banana prices?

[Santos] With regard to the banana issue, the year is ending with a conflict because the EC has made a decision on the single market system that will go into effect as of 1 July 1993. It is going to prove especially harmful to Latin American banana exporters. We Colombians and the other banana producing countries must use the tools we have at our disposal to combat the decision, which we consider discriminatory, unfair, and illegal by GATT standards.

[Reporter] Mr. Minister, does this mean we can take reprisal against the EC?

[Santos] It means that there are legal instruments available to us that we should use to attempt to reverse or partially correct the decision reached by the EC.

[Reporter] Yes, but ....

[Santos, interrupting] There are still certain gaps between the decision and GATT standards. We must wait for the EC to make an official statement at the GATT to see what measure we can take. Any legal action will depend on whether the EC includes or excludes this decision in the agricultural offer it made two weeks ago at the Uruguay Round. Depending on that decision, which the EC will make in the near future, we would resort to the Uruguay Round or the GATT to call the EC to consultations and possibly call a panel, which is the legal instrument within the GATT to handle conflicts of this nature.

[Reporter] We know that when European countries began placing obstacles against U.S. products, the United States imposed higher duties on some agricultural products imported from the EC. Could we do the same here with wine imports, for example?

[Santos] The U.S. situation was different, as the U.S. act was based on the fact that the EC had been condemned twice by a panel and had ignored the panel's decision. Consequently, the United States invoked that situation to take reprisals. We must start by calling a panel, at which the EC can defend its position. We believe we have very good arguments in our favor. Another possibility, as I said before, would be that the EC include this decision in its offer, in which case it could be negotiated.

[Reporter] We are at the end of the year, when we can tally what has been accomplished. Did Colombian exports increase this year?

[Santos] In analyzing Colombian exports, I am satisfied with the results, because we maintained export values. The volume of exports increased approximately 17 to 18 percent, according to recent statistics. We managed to increase export volume, despite the fact that in my opinion this year has been the worst in many years for Colombian exporters. Everything was against exports, not only violence—as we all know—but the devaluation of the peso, the drought, and electricity rationing. This past year we faced the worst and longest world recession since the great depression.

[Reporter] So in real terms, Colombian exports did not increase this year?

[Santos] Not in terms of value, but they did increase in volume.

[Reporter] Was it a bad year for commercial openings?

[Santos] No, on the contrary, it was an excellent year for commerce.

[Reporter] For importers?

[Santos] No, in general. If we analyze trade activities during the past year, we realize that it was a good year for commercial integration, which benefited the Colombian economy. Had this factor not been present, the international recession would have affected the Colombian economy even more. If we look at our integration with Ecuador and Bolivia and the preferential tariffs we obtained in the United States, the balance is favorable, because the commercial surplus was causing serious monetary problems.

[Reporter] Those who opposed the commercial opening from the beginning said many small companies would go bankrupt; that the country would not be able to withstand this somewhat hasty measure; and that the results would be seen in the near future, possibly this month. According to you, however, the commercial opening was positive for Colombia and did not result in many companies going bankrupt. What does this mean for Colombia?

[Santos] It means that we are beginning to take part in the international economy, which is the only way the Colombian economy can grow at a pace that will enable us to absorb manpower and create new jobs. It means Colombian consumers, who are mostly benefited by this opening, are beginning to receive the benefits of better quality products at lower prices. We are seeing industries being reorganized. This is where imports become an important factor. A high percentage of imports are not luxury items or consumer products, but capital assets or imported industrial machinery. In terms of modernizing our economy, I believe this year has been very positive and, as you said, we have not paid excessively high costs. Colombia is the only country where commercial opening has not [words indistinct] employment. On the contrary, the results have been positive for most companies. Small and medium enterprises are reorganizing and are assimilating this opening very well, as recent surveys have shown. We can see that the country is modernizing. The economy has grown 3.3 percent despite the electricity rationing.

[Reporter] According to rumors, you could be transferred to the Foreign Ministry. Do you like the idea or would you prefer to remain at the Foreign Trade Ministry?

[Santos] That depends on what the president decides. I would prefer to continue assisting the president in the area I feel will be President Gaviria's and his government's most important legacy: placing Colombia in the international economy and integrating it with the other countries.

[Reporter] Thank you for this interview.

* Economic Impact of Violence in Cesar Described

93SM0087A Santa Fe de Bogota EL TIEMPO in Spanish 22 Nov 92 p 2B

[Report by special EL TIEMPO correspondent Jaime Cristancho Gomez: "Cesar: A Big Scrap Heap"]

[Text] Aguachica, Cesar—The weeds and the Africanized bees are taking over the Stadium of Agricultural Fairs in Aguachica, Cesar. Wild grass already covers its parking lots. Silence and neglect are now its masters, because the real owners, the ranchers, have not been here since 1988.

This facility, with its corrals and display runways for cattle, was going to be the epicenter of livestock marketing in the departments of Cesar, Santander, Bolivar, and Norte de Santander, and the starting point for exports to Venezuela. Now it is up for sale, but nobody is buying.

A bit further north, along the highway to the ocean but before Aguachica, are the facilities of the Cesar Cotton Cooperative (Coralce). At the entrance is a fence with a sign that reads: "Farm machinery for sale." In the background one can see tractors, rakes, and harvesters, surrounded by weeds.

Besides equipment, many farms throughout the department are for sale. But no one wants to run the same risk the current owners are running, that is to say, being kidnapped, either by guerrillas or by common criminals.

"Aguachica is a big scrap heap," says one of the directors of the regional office of the National Federation of Cotton Growers (Federalgodon), Victor Londono, referring to the farm machinery that is for sale.

The following phrase is commonly heard in the region: "The farmers and the ranchers are visitors. They show up for a while, complain, and then take off."

Insecurity and violence, which have worsened in the area, have been joined by the failure of the economic-liberalization measures to stimulate rural business activity.

"The farmers were plunged into the economic liberalization without consideration of the specific conditions in the sector, which is sensitive to many things and surrounded by violence." These are the words of the Aguachica regional manager of the National Federation of Cereal Growers (Fenalce), Gelder Cisneros Cumplido.

In the case of cotton, the backbone of the farming economy in southern Cesar and part of La Guajira, the regional office of the Colombian Agricultural-Livestock Institute (ICA) shows a 71 percent decline in planting in this zone. In 1991, 89,358 hectares were planted, compared to 25,733 this year.

In the region of Aguachica, the most economically important municipality in the area and one that has been developed for 30 years thanks to cotton growing, the shrinkage of the crop is dramatic this harvest, as 19,022 hectares were planted in 1991 and just 5,500 in 1992.

Lo[illegible]d Demands

These declines in cotton growing along the coast, specifically in its main producing area, Cesar, reflect the sudden shifts in the world prices of farm products.

Last year a kilo of fiber sold for 86 cents on the dollar on the international market, whereas this year it has fallen to around 58 cents owing to the worldwide glut.

Consequently, given the prospect of lower foreign prices, domestic industry paid the growers less. The dynamics of supply and demand on the world market wound up reducing the income of the coastal growers, as well as those in Tolima, Meta, and Valle, the other major cotton-growing areas in the country.

The Multiactive Cotton Cooperative of Cesar Department (Coalcesar) says that the domestic price of cotton declined from 1 million pesos a ton to 970,000. "But the method of payment changed from cash to four installments in the medium term, which represents an average real price of 870,000 pesos."

Aside from the drop in the domestic price of cotton owing to low world prices, this year's drought also hurt the cotton, corn, and sorghum crops.

Paradoxically, the cotton growers were loudly demanding free trade two years ago, when world prices were high.

In other words, they embraced economic liberalization, delighted at the possibility of further boosting their income. But they were hit hard by events.

Events showed them that the world agricultural market is very different, marked by shifts at varying paces from boom to bust, owing to constant distortions caused by the subsidies of the wealthy countries, various degrees of protectionism or free trade, the weather in the producing nations, and political turmoil.

The cotton growers never imagined that this year's glut would be caused mainly by the sudden decline in the

demand for cotton in the former Soviet Union, one of the biggest consumers in the world.

No One Wants To Invest

Even though the government has continued to support the sector somewhat, such as by maintaining the Tax Reimbursement Certificate (CERT), the fact is that the sudden shifts in the world market have put Colombian cotton growers out of action, with a clear impact on the coast.

The reduction in planting will translate into higher unemployment by year's end in Cesar. The harvest will begin in mid-November, but because it will be meager it will not meet the demand for jobs that cotton generates every year.

Coalcesar, Federalgodon, and the mayor of Aguachica, Manuel Claro Santiago, agree that some 60,000 persons will be left jobless in the 1992-93 cotton harvest, which runs from mid-December to next February.

"There is no work in the area," says Londono, the Federalgodon director. "If there were, I would rather toil in the sun."

"More than 60,000 direct jobs will not be created," says Coalcesar. "One more blow to law and order."

One of the region's veteran farmers, Anibal Reyes Sanchez, a cofounder of Coalcesar 30 years ago, who has already been kidnapped by guerrillas, says: "The more days that pass, the more unemployment there is, and there is nothing to eat. No one wants to invest in the countryside. Just a while ago three boys from Codazzi asked me for work, almost crying. There is work; there is a lot to do on a farm, but there is no money to pay people. I did the best I could to give them jobs, because I felt really bad for them."

The jobs that the cotton harvest creates go mainly to migrant pickers, who also harvest coffee at other times of the year in the heartland of the country. Another group of harvesters lives in the region.

The migrants are about to arrive, with their families, in mid-November, seeking to settle in on the cotton farms.

"By December," says the mayor of Aguachica, "the situation is going to be beyond our control."

Terror, the Guerrillas' Method

The undoing of the cotton, corn, rice, and sorghum crops and the decline of agro-industry, which has also been hard hit by world prices (African palm, for example), have heightened the uncertainty that is part and parcel of farming.

What is more, this is the economic mainstay of this section of the Atlantic coast as far as jobs are concerned, providing even more work than the La Jagua coal mines.

Poverty prevails in the region and is spreading. According to the Aguachica Chamber of Commerce, 70,000 day laborers will not be employed in 1992 and 1993 because of the 70 percent decline in cotton planting.

"This is equivalent to 1.8 billion pesos that will not make it into people's hands," the chamber says.

Government has taken little action, and as in other regions of the country politicians are accused of corruption. Nevertheless, until around 1987 agriculture and agro-industry were growing. The cotton grown in this area averaged between 15,000 and 20,000 tons a year; today it comes to just 5,000.

A commercial sector linked to agriculture has also developed in urban areas, mainly in Aguachica, a medium-sized city, and this sector is also now the victim of the prevailing violence and insecurity.

Employment in the sector was down around 30 percent last year, and according to some merchants this will worsen in 1992. Union leaders estimate that throughout Cesar half of the ranchers and merchants are victims of guerrilla extortion.

Under such conditions, the economy's ability to absorb manpower and generate investment has declined noticeably.

Now, with an economic base weakened first by insecurity and second by a short-term situation (low foreign and domestic prices), problems from previous years have worsened quickly, such as unemployment (there will be a loss of 60,000 direct jobs in 1992), poverty, and violence itself, as the 10 fronts operating in the area (compared to five in 1987) have destabilized it.

Consequently, the union spokesmen in southern Cesar agree, the subversives and criminals have seen the objective conditions for their activities spread over the past five years and are taking advantage of this.

The Aguachica Chamber of Commerce maintains in an analysis that the damage to the region's farming and agro-industrial economy (compounded by economic liberalization) "has had a negative impact on our society. It has plunged it into disequilibrium and ruin by fueling violence, holdups, robberies, land piracy, kidnapping, extortion, crime, armed struggle, and panhandling."

As far as the Valledupar Chamber of Commerce is concerned, the following are the causes of law and order problems: the lack of rural feeder roads, the nonexistence of social programs for the peasants, a shortage of development loans, land tenure problems, the lack of rural-housing programs, and the lack of basic public services.

An Army officer says that the guerrillas come down from the Perija highlands, the backdrop to the local landscape, and from the Sierra Nevada de Santa Marta, to the north, intimidating the locals with terror tactics and kidnapping.

"Crime also benefits from such anxiety," says the officer. "There is neither unity nor cooperation among the people."

The inhabitants of Valledupar and Aguachica call the Sierra Nevada the "Sierra Nevada Hilton" and the Perija highlands "the Perija highlands Hilton." A typically Caribbean, tragicomic way of describing the places where kidnap victims wind up.

[Box, p 2B]

Southern Cesar: Anxiety

This is a key region, as much of the economic activity in the northeast (Santander, Norte de Santander, Ocana Province), southern Bolivar, and southern Magdalena converges here. Soon, part of Antioquia and the Magdalena Medio will converge along the main highway of the same name, which has already reached the municipality of San Alberto.

There is farming, ranching, agro-industry, and mining in the region. Land disputes are not as severe as along the northern coast. The road to the sea is the hub of communications from Bucaramanga to Santa Marta. Also, the Magdalena River and the railway that goes to Santa Marta run near Aguachica.

The San Alberto-Aguachica-northern Cesar hub is surrounded by eight guerrilla fronts: three of the Revolutionary Armed Forces of Colombia, three of the Army of National Liberation, and two dissident groups from the Popular Liberation Army. And there are paramilitary groups near San Alberto, a municipality whose lifeblood is the African palm crop and one that has a developed agro-industry.

* Results of Anti-Corruption Campaign Reported

93SM0079A Santa Fe de Bogota EL TIEMPO in Spanish 11 Nov 92 p 6A

[Text] Yesterday, 10 November, during a debate in the First Commission of the House of Representatives, Justice Minister Andres Gonzalez Diaz announced that between January and June 1992 disciplinary procedures were initiated against 13,769 government officials in the 13 ministries and in 37 government agencies.

Of this number—an increase of 153 percent over 1991—5,920 cases have been processed, with 1,384 government officials being dismissed and 4,646 punished.

The figures were provided by Gonzalez Diaz during a debate initiated by Representative Rodrigo Rivera Salazar on administrative corruption, in which the prosecutor general of the nation, Gustavo de Greiff, also took part. The attorney general, Carlos Gustavo Arrieta, and the supervisor of the Treasury, Jorge Garcia Hurtado, sent their excuses because they were scheduled to meet with other commissions at the same time.

In reply to questions from the representative from Huila, the minister of justice said that there are agencies, such as the Institute for Social Security (ISS), Customs, Cajanal [expansion not given] and the National Directorate of Prisons, in which administrative vigilance has been improved.

During the first six months of 1992, 1,311 investigations were initiated in ISS, 790 in Customs, 948 in Cajanal, and 230 in the Directorate of Prisons. On this last point, the minister said that progress had been made toward penitentiary reform, to resolve the country's prison problem.

Among strategies to combat administrative corruption, the minister announced that rewards would be paid to those who denounce officials who commit corrupt acts, and that reduced sentences would be handed down for those who inform on perpetrators of serious offenses.

He also announced a major reform of the Normative Disciplinary Statute and noted that educating and training government employees was the goal. "Accusations are being heard in a decentralized format in a major effort to raise the moral standards of public administration."

Public Officials Needed

The prosecutor general of the nation said that, without counting the results from important places, such as Antioquia, Bogota, and Cundinamarca, 3,058 investigations of crimes involving public administration have been initiated in various parts of the country, and nine public officials have been arrested.

He added that the number of prosecutions is very low, considering the great number of public officials in Colombia, "which shows that there are still honest and capable officials in the country. Our moral conscience is not so benumbed, but this moral cancer that is corrupting society must be stopped."

Among the difficulties facing the prosecutor general's office in carrying out its investigative work, according to De Greiff, is the major problem of gathering evidence. "It is one thing is to talk about unlawful acts, and quite another to initiate the appropriate investigation and gather sufficient evidence."

It was time, he continued, to do away with the warrant of arrest syndrome. "It is preferable for the prosecutor general's office to be serious and issue arrest warrants only when it has sufficient evidence to proceed with a good knowledge of the basic facts."

De Greiff said that the investigation of cases of unlawful enrichment was very complicated, because private persons are also involved who collaborate or act as figureheads for public officials.

As for personnel who are specialized in investigation of accounts, De Greiff said that work is proceeding jointly with the superintendencies, the attorney general's office,

and the comptrollership to form working groups of financial technicians and economists to strengthen the investigative process.

He pointed out that the prosecutor general's office has about 10,500 employees at the moment, but that they are not sufficient to handle all of the cases. "There is an average of 500 cases for each prosecutor in Bogota, which makes the work more difficult." He asked, therefore, that the representatives approve supplementary budgets which would permit that office to increase the number of its officials.

* Impact of Galan Capture on ELN Discussed

93WR0090Z Santa Fe de Bogota EL TIEMPO in Spanish 6 Dec 92 p 3A

[Article by Maria del Rosario Arrazola; first paragraph is introduction]

[Text] It is believed that Galan's capture will strengthen the radical segment of the guerrilla movement. His arrest is more of a blow to the group's structure than to its military capability.

There is no doubt that Francisco Galan's greatest achievement in the ELN [Army of National Liberation] was creating the structure that now supports the movement economically.

He organized what is known in the ELN as the northeastern war bloc, whose operations are concentrated in the departments of Arauca, Norte de Santander, Santander, and Cesar.

The fronts active there make the biggest financial contribution to the guerrilla group. Their funds come from extortion from multinationals, from the collection of exorbitant sums of money for the security they "sell" to landowners and to the pipeline, and from kidnapping, with the unique feature that ransoms are paid in dollars.

So Galan's capture is a harsh blow to the ELN's vertical structure, which may be seriously affected as this is the first time in many years that this group has been hit.

Galan is important both because of his operational and strategic activities, and also because he was one of the people closest to Manuel Perez.

"He is practically the creature of Perez; Perez had delegated to him the responsibility to represent the entire movement in the Caracas talks," said a source consulted by EL TIEMPO, who asked to remain anonymous.

It was also rumored that he might at some time succeed Nicolas Rodriguez Bautista, alias "Gabino." "'Gabino' is viewed as a traditional guerrilla fighter. That is, the guy who thinks that guerrilla life is combat, taking towns and making surprise attacks against the military and police," said the source we consulted.

He continued: "However, Galan, even though his personal life was not as cautious as underground life requires (a guerrilla leader does not go to the city without sufficient protection), was the man who made the guerrilla movement into a business. He had a modern sort of vision: he understood that guerrilla warfare takes place in the fields of terrorism and security."

As he was a leader formed in the very heart of the organization, his prestige was enormous, and with a single order he could shut down highways and mobilize a campesino protest march. "He exercised true leadership of the masses," agreed a number of observers.

However, if he was so important, why was he captured so easily? The answer is partly that Galan was careless in going to the city without adequate security, but it is also a tribute to the success of the tactic of rewards that the government has introduced.

Down With the Moderates

What is going on now? How is Galan's arrest affecting the organization? EL TIEMPO spoke with several people who have closely followed the ELN, and they said it is likely that internal power struggles, which began on the very night that Galan's arrest was learned, may be dominated by the radical line, headed by the "Domingo Lain" and "Solano Sepulveda" fronts.

They have a number of arguments in their favor, and they now have enough political strength to persuade those who do not share their position.

The first card they will lay on the table is the uselessness of peace talks, which have only managed to "burn" an important element, since the ELN traditionally, with some few exceptions, has not shown its leaders in public. Unlike the FARC [Revolutionary Armed Forces of Colombia], this guerrilla group does not like to give interviews to the media, nor do they talk with politicians and high-level national officials.

Their second card consists of challenging the ELN's leadership and its alliance with their major partner in the CG [Guerrilla Coordinating Group], the FARC.

They will hold Perez accountable for agreeing to negotiate with the government, under the pretext of not dividing the guerrilla movement, while knowing that his own organization was torn by a bitter debate on whether or not to take part in the peace talks, a dispute that even led to the departure of the Socialist Renovation group.

The battles the "Lain" group has waged for some time with the FARC secretariat are also well known; they criticize the policy of attacks on the civilian population and the fact that some of their fronts are involved in growing opium poppies and processing cocaine.

Due to the ELN's fundamentalism, this group did not get involved in drug trafficking. From the very beginning, its major cause has been a fight against foreign investment.

This discussion, which may certainly end up in absolute victory on the part of the radical group, will only increase the likelihood of the ELN closing off, both internally and externally, the possibility of negotiations with the government.

"They had planned to keep up the level of confrontation for a long time, even long after the government's declaration of war. In reality, they were prepared for this: they have the weapons and the money they need to wage war. In addition, they had expected that one of their leaders might get caught," said a source very close to the subversive organization.

For this reason, it is likely that a replacement for Galan will be named immediately. The person who may succeed him is "Nacho," who handles communications with all the fronts. Even though he has no leadership or command position, he does have influence and excellent relations with Father Perez and with "Gabino."

He is also the man who knows all the backgrounds of the ELN guerrillas, according to our source. He is about 38 years old and has become a sort of ideologue who fully represents Perez.

The new "appointment" will be decided at a general meeting of guerrilla leaders, which will also select the Coce [Central Command], to which Perez, "Gabino," Antonio Garcia (the negotiator in Caracas and Tlaxcala and who lives abroad), his brother Pablo Tejada (formerly with Socialist Current), and an alternate from a regional military group belong.

Now the terrorism or strategic plans that were crafted before Galan's arrest will certainly be modified.

So even though Galan is being held prisoner in a military garrison, all the "elenos" [ELN members] are outside, armed and carrying dynamite, and they will soon take an even more combative stance.

Ecuador

President Promulgates Judicial System Amendments

PA2912193692 Quito Voz de los Andes in Spanish 1100 GMT 29 Dec 92

[Text] President Sixto Duran-Ballen on 23 December promulgated constitutional amendments concerning the judicial system. The news was made known officially on 28 December.

The president made no comments on the amendments. He signed the document as soon as it arrived at the Presidential Palace. All Ecuadorans realize that the amendments are needed to make the country's judicial system more effective and decentralized.

The amendments provide for trials to take place at only two levels, and for the establishment of an appeals system. The Supreme Court of Justice will have six specialized divisions made up of five minister-judges.

The president of the republic has thus promulgated the constitutional amendments that were approved by the National Congress some days ago.

New Army Commanding General Assumes Post

PA3012133892 Quito Voz de los Andes in Spanish 2200 GMT 29 Dec 92

[Text] Division General Edmundo Luna Cordova, the new commanding general of the Army, assumed his post before President Sixto Duran-Ballen during a ceremony held at the Government Palace. Luna Cordoba replaced General Carlomagno Andrade, who died in a tragic accident on 10 December.

Gen. Luna Cordova said the Army will conduct social and civic actions and will work more closely with the civilian authorities.

[Begin recording] [Luna Cordova] The Army has an annual plan. Gen. Carlomagno Andrade, the previous commanding general, had already sketched a plan. I will faithfully follow the guidelines he established for the Army.

[Unidentified reporter] Do you have any idea of who could have carried out the attack on your residence?

[Luna Cordova] I repudiate this criminal action. We have no clues as to who carried out the attack. We hope the police and the Army will identify the authors, because we are determined to continue fighting against all those criminals who want to disrupt the Ecuadoran people's social peace. We hope incidents of this nature will not reoccur.

[Reporter] [Question indistinct]

[Luna Cordova] Unfortunately, we do not have any information yet, and therefore it would be premature to give my opinion in that regard. The Army has short-, medium-, and long-term plans. We will continue with those plans, trying to match the extraordinary work carried out by Gen. Carlomagno Andrade.

[Reporter] Will you seek a rapport with civilian authorities?

[Luna Cordova] Definitely. That is one of the main tasks of the Army. We want to earn the respect of the civilian population, because we are part of the people. As the Constitution states, one of our objectives is to contribute to the country's socioeconomic development.

[Reporter] What attention will be given to Army aviation?

[Luna Cordova] Army aviation is one of the branches that is currently performing a meritorious job in the country's eastern region and distant places. We will

continue to give them our full support so they can assist the civilian population in various activities.

[Reporter] What about the problem with Peru?

[Luna Cordova] I would prefer not to discuss that subject. You know our position very well. The government, through the corresponding institutions, dictates the policy in this field.

[Reporter] There have been rumors about the reactivation of guerrilla groups in Ecuador. Have there been any investigations?

[Luna Cordova] We cannot confirm that, although those groups could be responsible for recent attacks. The police and Army are working on that.

[Reporter] Will the Army develop a plan for systematic surveillance?

[Luna Cordova] Yes, we are determined to cooperate in this field, and we have been doing this for a long time. In fact, one of the missions the Army has in addition to its main duty, which is defending the country's territorial integrity and borders, is cooperating with the police and paramilitary organizations to preserve internal peace in the country. [end recording]

* Duran-Ballen on 100 Days in Office, Clinton

93SM0100A Guayaquil VISTAZO in Spanish 3 Dec 92 pp 10-11

[Interview with President Sixto Duran-Ballen Cordovez by Carlos Jijon; place and date not given]

[Excerpts] [Jijon] During your first three months in office what do you consider the most important thing which your administration has done? What stands out most in your mind?

[Duran-Ballen] I think that the most important thing which has been done was having demonstrated how serious it was to make the decisions we announced on 3 September. I knew that these would be unpopular and tough measures, but it was necessary to adopt them, and we had the courage to do so. Up to a certain point, despite their repercussions, the majority of the people have accepted them. They were convinced that they were necessary.

[Jijon] And what was the most difficult moment?

[Duran-Ballen] The same thing. You can imagine that, being the human being that I am, it was very painful for me to make a decision of that kind. I knew that it was going to have a major impact on families, particularly on families with lower incomes. At the same time it was painful for me not to have had the resources to be in a position to adopt balancing, social measures. However, those were measures for which you need money, which we do not have.

[Jijon] And when do you think that economic recovery will begin?

[Duran-Ballen] It has already begun. Look at the rate of inflation. At first it was 10 percent per month. It was reduced to six percent in October. And in November I believe that we are going to end the month with inflation under three percent. The growth of inflation is decreasing, and I believe that this is a positive sign. Another positive sign is that we have been able to establish a monetary reserve which, at the present time, amounts to more than $850 million. Loans are available once again, and the interest rate is declining. An improvement in the economic situation is taking place. And interbank interest, which was 200 percent, has gone down. We are taking off.

[Jijon] What is the inflation goal for the end of 1992?

[Duran-Ballen] Oh, no! I am not going to talk to you about numbers! I prefer for the country to find that what eventually happens is satisfactory. But if I state a figure and then this is not reached, you would be the first person to notice it.

[Jijon] But the government should have goals.

[Duran-Ballen] We do have goals, and they are being achieved ahead of time. Look at the fact that the inflation growth rate in November is going to be less than three percent, probably the smallest monthly growth rate in three or four years.

[Jijon] You recognize that the measures which you announced meant sacrifices for the people, but what they still do not see is any sacrifice made by the state. Why have you not begun a reduction in state activity?

[Duran-Ballen] No, this process has already begun. A Modernization Commission [Conam] has been established which has started to study several state institutions in which a process of modernization has begun. Modernization can be of various kinds, ranging from simple restructuring to achieve efficiency (as I promised during the election campaign) to privatization. There is an immense range of institutions there, including companies with mixed private and state capital or state enterprises. What more proof would you need than the fact that we are filling almost no vacancies? I get complaints from my supporters, from those who worked for me, who think that they have a right to a job in the bureaucracy. But we are not filling unnecessary vacancies.

[Jijon] That emphasis that the bureaucracy should not grow any further is plausible enough, but we were talking about reducing the size of the state. Do you have a list of state enterprises which your government is going to privatize?

[Duran-Ballen] I repeat that my government has made a decision to reduce the size of the state sector. A committee is studying this matter. Which companies are we going to privatize? That is what the committee is

studying now. But you should not think simply that modernization is the same thing as privatization. I repeat, there are four ways of handling this matter. One of them is privatization, when it is possible and appropriate. Another solution would be to restructure a state enterprise in a search for efficiency. A third solution would be a company with mixed state and private capital. And the fourth solution would be to keep a given company in its present status as a state enterprise, but seeking the kind of efficiency of a private company. Those are four, very clear possibilities.

[Jijon] How do you see, three months later, the political agreement that made Carlos Vallejo president of Congress and Jacobo Bucaram vice president? Are you satisfied with it?

[Duran-Ballen] I considered that to avoid the traditional fight between the branches of the government, making Carlos Vallejo president of Congress was the most suitable solution. He was not connected to the extreme left, nor with the outgoing or the incoming governments. He was the most obvious choice. I am happy that 11 out of the 12 political parties agreed on that. I believe that I was right.

[Jijon] Will you continue to hold that same view during the next legislative session?

[Duran-Ballen] I will continue to hold that view. I believe that it would be very appropriate for Doctor Vallejo to continue in that position. But that was my suggestion, with which the political parties agreed. I do not want it to be felt that Congress is an extension of the executive branch of the government. I have respected Congress and the deputies, even those of my own party.

[Jijon] Deputy Carlos Julio Arosemena [PUR—Republican Unity Party] is one of your harshest critics.

[Duran-Ballen] I would not like to say anything about that. Please excuse me, but I am not going to talk about that.

[Jijon] It is said that there is a lack of leadership in your government, that there is no spokesperson, or that there are many spokespersons who contradict each other.

[Duran-Ballen] What do you understand by the word, "leadership"?

[Jijon] There is no spokesperson in the government. The minister of government does not speak for the government, nor does the minister of information. The spokespersons in the economic sector contradict each other. The manager of the Central Bank says she will not intervene in the free foreign exchange market, while the secretary of Conade [National Council for Development] says that it will. The minister of industries says that prices of medicines will be freed, while the minister of health says that they will not.

[Duran-Ballen] You must realize something. All previous governments had a period of several months from the time when they were elected until they entered office. I did not have such a period. Presidents Roldos, Febres Cordero, and Borja had two or three months to appoint a cabinet and exchange views with its members. I only had five weeks. My cabinet is not a political team. It members are businessmen, persons with experience and ability. Although there were differences of view even in other administrations with more time to reach agreement and achieve a greater political identity, the small differences which have come up in my administration should not be exaggerated. Exceptions should not be generalized.

[Jijon] Do you remember the case of the IESS [Ecuadoran Social Security Institute]? A director general was appointed, and then you took a step back.

[Duran-Ballen] Well, that was my mistake, and I recognized it. However, since then another director was appointed with whom I was in agreement. From that moment any connection has been lost. The IESS is controlled by an executive council, on which the government only has two representatives among the nine members, and we have no possibility of making decisions. However, I would like to know what it is that the people understand by leadership. Should "leadership" be understood as meaning that one individual tries to control all branches of the government? That to have control of Congress he will look for a whole series of devices: payments in cash and turning over entire provinces to them? I have not done that. I hear that all the time: that there is a lack of leadership. The country wants me to show that I am a leader. Everyone is a leader in his own way! I acted successfully and, pardon me if I speak without modesty, when I was minister of public works, mayor of Quito, and president of the Housing Board. I knew how to lead, to act, and I believe that I am doing that.

[Jijon] Many editorial writers believe that you really don't have a minister of government.

[Duran-Ballen] That is an unfair view. Perhaps they say this by comparing him with other cabinet ministers who preferred to come out in full public view. The minister of government is acting like a fireman who puts out fires. His presence, his skill, and his ability to engage in a dialogue are having positive results, in the sense of agreements with labor and transportation groups. I am very satisfied with him. [passage omitted]

[Jijon] President Bush, your friend, has lost the elections in the United States. President Elect Clinton has emphasized that he will be concerned principally with domestic policy and that he will reduce aid to Latin America. How do you think that this will affect us?

[Duran-Ballen] The president elect has made statements on foreign policy which very much continue the positions of President Bush. During the campaign he spoke much more about the problems which affect the North American people and said almost nothing about what their relations would be with Latin America. However,

now he has said that the policy of the United States toward Latin America will continue, and I believe that there will be no major changes. I hope that the assistance program to Ecuador will be increased.

[Jijon] From your personal point of view, what has been the greatest change in your life as an ordinary citizen?

[Duran-Ballen] The impact on my family. I spend long hours at work. I leave the office between 2100 and 2200 and I even take work home. It is unusual for me to have much time for my family, for my eight children and my 20 grandchildren. I have left aside my hobbies of photography, music, and my stamp collections. There is no time for that. I even thought that I could go to Bahia for a weekend to rest and to have some physical exercise, but each time this has been more difficult.

* Human Rights Group Presents List of Violations

93SM0100B Quito HOY in Spanish 23 Nov 92 p 6A

[Text] The Ecumenical Commission of Human Rights, CEDHU, has stated that during the first 100 days of the present administration an atmosphere of "terror" has been created. This was stated in a human rights evaluation of the first three months of the administration of President Sixto Duran Ballen.

It was stated that this climate of fear began with the economic measures which further impoverished the people and the decree for the mobilization of the armed forces, which has not yet been canceled.

The CEDHU does not consider that this decree was necessary because a situation of internal disturbances does not exist. Furthermore, during this period complaints of murder by the security forces—the police and the armed forces—continue to be received, and cases of disappearances continue to be reported. The use of torture has increased, as in the case of the artists [not further identified], in which their right to free expression was violated.

CEDHU representatives made a visit to the president of the Supreme Court to express their views on cases of immunity from prosecution, which are incompatible with democracy. On the afternoon of the same day [not identified] they went to Congress to ask that a law be drafted to abolish special rights for both the police and the armed forces, which have become a synonym for impunity, and to request that the mobilization decree be canceled.

List of Violations

The CEDHU made public a list of human rights violations during the past 100 days, some of which are as follows:

28 August: An instruction was published which limits information on the public administration.

30 August: The Court of Constitutional Guarantees asked for a report on acts of torture conducted by elements of the Ecuadorian Army against 40 police personnel. At the same time several underage persons were subjected to forced labor by Army o73 Lieutenant Wilson Narvaez in the village of Empalme.

3 September: An armed group broke into and took possession of the offices of the UNE [National Union of Teachers] in Guayas. Economic measures were announced, and the country woke up to find that it had been placed under military control.

5 September: Seven employees of the Press Office of the Office of the Presidency were dismissed from their jobs for reporting on the recording of a cassette.

9 September: By executive decree the Army and Police were authorized to control crime and terrorism.

23 September: The Police prevented employees from entering the offices of Fonapre [National Investment Feasibility Fund]. The government had improperly dismissed 23 employees of the fund.

24 September: Veronica San Martin, a reporter for Radio Quito and the daily newspaper EL COMERCIO, complained that she had been attacked by Army personnel.

1 October: According to INEC [National Statistics and Census Institute], inflation increased by 10.56 percent in the period of one month.

10 October: One person died and 15 were injured in an act of repression against Indians who were organizing demonstrations in opposition to the celebration of the 500th anniversary [of the discovery of America by Columbus].

12 October: The mountain provinces were totally sealed off, and the Army cordoned off Quito to prevent Indians from meeting in the Plaza de San Francisco. The streets of Quito were totally controlled by the military.

21 October: The College of Journalists of Pichincha complained that police agents and detectives were passing themselves off as reporters in the Congress building.

23 October: The UNP [National Union of Journalists] complained that executives of Petroecuador [Ecuadorian State Petroleum Enterprise] have begun a campaign of persecution against Dr Rodrigo Rangles, a professional journalist who is a member of this institution.

29 October: Luis Macas, president of Conaie [Confederation of Indian Nationalities of Ecuador] complained that about one month ago Eugenio Quemberri, the Huarani leader, disappeared from view and later was found dead. It is suspected that he was killed by assassins hired to terrorize and expel Huaranis from their tribal area.

Paraguay

Presidential Hopeful on Request To Annul Elections

PY2912184592 Asuncion NOTICIAS in Spanish 29 Dec 92 p 6

[Text] Gustavo Diaz de Vivar, a hopeful in the Colorado Party primaries held on 27 December, said efforts are being made to prevent the Colorado Party from having a presidential candidate in the 1993 national elections. He said this in a message read last night on RPC Channel 13 television in relation to the request by the Wasmosy-Seifart ticket calling for the annulment of the primary elections.

He said this clearly reveals the objective of replacing the Colorado Party in power and annulling the system of political parties by eliminating the national political class. He said this is a new effort to overrule the will of Colorado Party members.

Diaz de Vivar said: "The communique released by the ticket that lost the primary elections is absolutely false." He added that the Wasmosy ticket was favored by elections held under fraudulent conditions.

He said: "The Colorado Party members have clearly repudiated the manipulation by the executive branch with the participation of high-ranking active service members of the Armed Forces."

Diaz de Vivar indicated that the effort to annul the elections is part of a plan to prevent the ANR [National Republican Association, Colorado Party] from participating in the general elections next May. He said: "A business oligarchy that makes profit from special privileges based on governmental illegal contracts in association with a small corrupt military leadership which tries to maintain its monopoly are behind this maneuver that seeks to destroy the democratization process."

Regarding the call for the annulment of the elections, Diaz de Vivar said that a second election without institutional or legal basis goes against the democratization process and creates a political crisis that deteriorates the Colorado Party in an irreversible manner.

Reaction to Colorado Party Primary Results Noted

PY2912231692

[Editorial Report] Asuncion ABC COLOR in Spanish on 28 December publishes on page 12 reactions by opposition politicians to the Colorado Party primaries.

Domingo Laino, the Authentic Radical Liberal Party, PLRA, presidential candidate, says: "The defeat of General Andres Rodriguez', the executive branch's, or the current dominant structure's candidate means that the voters vote for politicians and not for prefabricated candidates. In addition, no political marketing, propaganda, or money will buy the people's conscience."

Luis Alfonso Resck, the Christian Democratic Party's Authentic Revolutionary Movement head, said: "I am considering the serious past vices, involving authoritarianism, corruption, and social injustice. Now I am deeply distressed, noticing a comeback of the shadows of the past because various members of Dr. Luis Maria Argana's ticket are involved in the true 'arsenal' seized a few days ago in the Investigative Police Department. Therefore, these people are not exempted from their extremely serious responsibilities during the long, dark dictatorship we experienced."

Asuncion ABC COLOR in Spanish on 28 December publishes on page 13, under the heading "Colorado Party Primaries," a 600-word reaction by opposition politicians to the Colorado Party primaries.

National Encounter presidential candidate Guillermo Caballero says: "The ANR, National Republican Association, primaries were excellent. Correctness and normalcy during the primaries were the best features of this decisive Colorado Party event."

Regarding the stance the Armed Forces would take vis-a-vis a possible victory by Argana's ticket, Caballero Vargas says: "It is obvious that most high-ranking military officers sympathized with the Wasmosy-Seifart ticket, but it also must be emphasized that they have expressed their support for our country's institutional system. Therefore, they have said that they would respect the ballot boxes' verdict."

Ricardo Canese, a presidential hopeful for the 26 May Movement and the Paraguay for All movement, said: "Dr. Argana represents the past. He represents authoritarianism. I personally do not fear Dr. Argana because I believe all democratic social and political forces will be able to join together in order to defeat the candidate representing authoritarianism, privileges, and the past."

PLRA Secretary General Cesar Benitez says: "As the Colorado Party's presidential candidate, I believe he does not meet the hopes of most Colorado Party citizens in our country. His deep involvement with Stroessnerism's dark past does not entitle him to believe he may become the president of the Republic of Paraguay."

Asuncion ULTIMA HORA in Spanish on 28 December publishes on pages 6 and 7, under the heading "ANR Elections," a 900-word reaction by various people to the primaries.

Army Commander Division General Pedro Concepcion Ocampos says: "The confrontation among the party's various internal movements will have to be totally reviewed. Now there must be talks, conversations, seeking unified criteria and allowing the party, and subsequently the entire country, to have a future."

PRF, Febrerista Revolutionary Party, President Euclides Acevedo said: "Rather than Argana's, this represents the

victory of the Colorado Party's tradition. This indicates that we are experiencing an extremely unusual transition that normally devours its own protagonists because Argana's victory virtually represents the establishment's defeat, like the Colorado Party has defeated the Armed Forces, money, and a large segment of the mass media. All of them served the process."

Acevedo adds: "Many people will believe Stroessnerism has won. Nevertheless, I do not believe this because Stroessnerism, as a political system, is a closed chapter."

In conclusion, Acevedo says: "I only hope there will not be any destabilization process and the ballot boxes' result will be respected because these are democracy's indispensable presuppositions."

Colorado Party President Blas N. Riquelme said: "We will support our presidential candidate to meet all his needs. We will support him as a political party and I am sure that this support will be unanimously given by all Colorado Party members. Those who believe and speculate that now a party split may ensue are mistaken. They will be disillusioned because Coloradoism is governed by a doctrine and an authority respected by all Colorado Party people."

PRF leader Fernando Vera says the results confirm an old saying by Cecilio Baez: "Paraguay is a nation of cretins."

Deputy Sandino Gill Oporto, a Colorado Popular Movement leader, describes Argana's victory as a true "setback for our country's democratic political development."

Gill Oporto adds: "Absolutely, this represents a setback for our country's political development. Dr. Argana's records are not democratic at all. He has benevolently judged Stroessnerism, and when he was informed of the existence of the cruel secret records of the Investigative Police, he said those documents were secret and, therefore, he was unaware of them. This is absurd."

War College Commander Praises Colorado Elections

PY2912210792 Asuncion ABC COLOR in Spanish 29 Dec 92 p 11

[Text] Referring to the ANR [National Republic Association—Colorado Party] internal elections, Brigadier General Galo Longino Escobar, the National War College commander, stated that the Armed Forces must respect the free play of democracy by accepting the decision of the Colorado Party's voters.

Escobar said this in reply to a consultation on the statements by General Lino Cesar Oviedo, who was annoyed with the support given to the Argana-Ybanez ticket, which he described as [former dictator Alfredo] Stroessner's followers. Commenting on Oviedo's criticisms, Escobar said that "each person is free to express his opinion, and we, the Armed Forces comrades who are in the same boat, agree with it."

He stated that the Colorado Party supporters shared a true civic event on 27 December because no negative incidents were registered and a sense of maturity was conveyed to the entire country.

He said: "These were the positive aspects of the Colorado Party elections."

Asked about the active participation of troops in the elections, he said there is no law that forbids the military's participation in the internal elections of political parties. He stated: "The law has no retroactive effect, and consequently, those who previously were affiliated with the Colorado Party can vote in the internal elections."

Escobar said there is no risk whatsoever of stepping back to the past. He said: "This possibility no longer exists, and I have not heard any report on a possible suspension of the democratic process either."

Peru

Yoshiyama Installed As New CCD President

PA2912202192 Lima Radio Programas del Peru Network in Spanish 1800 GMT 29 Dec 92

[Text] Jaime Yoshiyama Tanaka was sworn in as president of the Democratic Constituent Congress [CCD] on 29 December. He urged the new congressmen to join efforts for the reconstruction of Peru.

[Begin Yoshiyama recording, in progress]...as a commitment, not just to my party faction in the congress, but rather to all congressmen and to the Peruvian people. My thanks will receive a response and a commitment to join efforts for the reconstruction of Peru. I urge all my colleagues to join efforts to consolidate this authentic democracy. Thank you very much. [applause] [end recording]

These were the words of new CCD President Engineer Jaime Yoshiyama Tanaka after his formal swearing-in in the presence of Mrs. Luz Delgado de Rubiones, representative of the Change 90/New Majority alliance.

After being elected by a broad majority, Yoshiyama was sworn in as the first CCD president for the 1992-93 period. Yoshiyama won the position with 60 votes in favor, 15 blank ballots, and two invalidated votes.

Afterward, Congressmen Carlos Torres y Torres Lara and Rafael Rey y Rey were elected first and second vice presidents, respectively.

On taking possession of his post, Yoshiyama gave thanks for his election and called on all the congressmen to join in a national effort to consolidate an authentic democracy.

Military Coupist To Face Public Trial in Jan

PA3012124492 Lima Global de Television Network in Spanish 0100 GMT 30 Dec 92

[Text] The military members involved in the 13 November uprising will face a public trial in January. This represents an event without precedent in military history, it was stated by Rear Admiral Vicente Duboc Veza, chairman of the Supreme Council of Military Justice [CSJM].

The CSJM's work had remained unnoticed by most of Peruvians, who had no knowledge of its existence, until this year. The organization now has a great responsibility.

The most important date this year for Rear Adm. Duboc Veza is 12 August, when President Alberto Fujimori issued Decree No. 25-659 declaring traitors to the homeland to be terrorist criminals who should be tried by this court.

A total of 82 terrorists have been tried since that date; and some of the cases will be reviewed, it was announced by CSJM Chairman Duboc Veza.

[Begin recording] [Duboc Veza] We are working on this number of cases, more or less, but we will readjust it because the number must be confirmed by the CSJM. Sentences can either be confirmed or revoked. We have come across some mistakes in the procedures; we have transferred some cases to civilian courts; and we have also acquitted some people.

[Unidentified reporter] [Question indistinct]

[Duboc Veza] This is the most difficult phase because it was simple enough to try the [Shining Path] leaders. We must now try Shining Path members who use different names. The witnesses' versions are incorrect many times and this complicates things. [end recording]

Regarding the trial of the military members involved in the coup, the rear admiral announced the phase for the gathering of evidence has concluded and the case must now be turned over to the military prosecutor, who will decide whether he files the case or whether it merits a trial against the accused—who would face a public trial. This case has no precedent in CSJM history.

[Begin Duboc Veza recording] We will enforce justice according to the facts and it will be done in public trials. The trials will possibly begin in January and you will be able to learn about the declarations given by all the people involved; you will be able to hear their testimonies; and you will be able to have a better opinion about the cases. [end recording]

Rebels Kill Policeman; Police Deactivate Car Bomb

PA2912161192 Madrid EFE in Spanish 1332 GMT 29 Dec 92

[Excerpt] Lima, 29 Dec (EFE)—A policeman was killed on 29 December in Lima by a terrorist group and a car bomb was deactivated in front of a yeast factory located at kilometer six of the main highway at the Lima exit.

Policeman Felix Losa Nicho died at the hospital after four alleged members of the Maoist Shining Path shot him.

The National Police bomb squad was able to defuse a charge of 80 kg of dynamite and ammonium nitrate on the main highway.

A barrel containing 30 kg of dynamite and ammonium nitrate was also deactivated in front of the Peruvian-Soviet Cultural Institute located in Lima's Jesus Maria neighborhood. In Surquillo district, a bomb exploded at a branch of Banco de Credito causing only minimal damage.

The National Police have been on alert following the bloody 28 December attack in Lima and the terrorist wave of car bombs that started on 26 December. [passage omitted]

* General Salinas Role in Coup Attempt Clarified

* TV Report Questioned

93SM0101A Lima CARETAS in Spanish 3 Dec 92 pp 18-19

[Article: "The New Story"]

[Text] No newsman misses a chance for a scoop, but the elements presented on "Panorama" last Sunday [29 Nov] were not obtained as a result of the boldness or skills of Alejandro Guerrero. No one can make General Luis Perez Documet pose before the cameras if the latter—or his superiors—do not authorize it. No reporter can make members of the Peruvian Army appear in fictional scenes claiming to recreate what happened early in the morning of 13 November [during the aborted coup against President Alberto Fujimori] unless they have specific orders from their higher-ups.

General Salinas Sedo's briefcase containing "evidence" that neither the defendant nor his attorneys had even seen was in the hands of General Jose Sevilla, the examining magistrate in charge of the case. The briefcase was turned over to Guerrero, who offered to narrate the script prepared by SIN [National Intelligence Service], Salinas Sedo reports.

Salinas' story is plausible. Among the many inconsistencies are the following: Guerrero claims that the Vanguard rifle that was allegedly to be used to assassinate President Fujimori was bought in the United States and

smuggled into the country by Salinas, but he supplies no evidence. And how did Salinas get the weapon through the carefully monitored American airports? How did he get it through Argentina and Chile without being detected on his way to Peru?

The video states that "Colonel Jaime Gutierrez Tovar and Major Marco Zarate Rotta went to DIFE [Special Forces Division]. Their mission was to get troops to support the other groups." However, on the very day the SIN video was broadcast, Gutierrez was released when it was shown that he had no connection with the conspiracy.

After the accusations against Alberto Borea, Maximo San Roman, and other civilians, the purpose of the video is obvious, but it also shows the extremes to which military justice can be manipulated by political interests.

Photo Captions

1. p 18 (caption left of top photo on 18-19): The news "scoop" carried by "Panorama" (Channel 5) last Sunday [29 Nov] laid the groundwork for accusing several political leaders of involvement in the conspiracy led by General Jaime Salinas Sedo. Producing the video required the cooperation of the examining magistrate, General Jose Sevilla, who violated secrecy by supplying part of the "evidence" used in the trial, evidence unknown to defense attorneys and the defendants themselves, according to a report by Alberto Borea.

2. pp 18-19 (upper center): SIN building where the video broadcast by "Panorama" last Sunday was made, according to General Salinas Sedo. SIN personnel were also reportedly involved in the production of the video.

3. p 18 (left center): Alejandro Guerrero shows the Vanguard rifle allegedly bought by General Salinas in the United States and smuggled into the country. Salinas denies buying the rifle. In the SIN version, how could Salinas have sneaked such a large weapon through American, Argentine, Chilean, and Peruvian inspections?

4. p 18 (center): Hugo Omeno.

5. p 18 (right center): In one portion of the video, members of the Peruvian Army appear before Alejandro Guerrero's cameras, recreating the events that occurred early in the morning of Friday, the 13th, according to the SIN scenario. Who ordered Army personnel to pose for Guerrero's cameras and show the heel-glazing iron, hammer, and rope?

6. p 18 (lower right): General Salinas' briefcase, specially packed for the occasion: passports, dollars, credit cards, incriminating documents. Actually, several objects were purposely added by the video producers.

7. p 19 (left center): Those involved in the conspiracy file by General Perez Documet, head of DIFE, to show the cameras that they are being well-treated. In the photo, Major Carmona. It is obviously a propaganda video, but it was impossible to conceal the marks on Major Zarate Rotta's arms or Perez' apprehension facing Major Ormeno, whom he does not allow to get close to him.

8. p 19 (center): Luis Perez Documet.

9. p 19 (right center): Alleged outline of General Salinas Sedo's plan including Fujimori's assassination. The SIN video combines authentic documents from Salinas, in his handwriting, with other pieces forged on a typewriter, such as the one shown in the photo. The latter, which is decisive "evidence," was not presented by the examining magistrate and was never seen until the video.

* Salinas Interviewed

93SM0101B Lima CARETAS in Spanish 3 Dec 92 pp 10-17, 78

["Exclusive" interview with retired Army General Jaime Salinas Sedo by Cecilia Valenzuela in Salinas' prison cell at Las Palmas Air Base; date not given—first seven paragraphs are editorial introduction]

[Excerpts] The trial of [retired Army] General Jaime Salinas Sedo and other officials accused of rebellion has become a magician's hat, from which the government—as some suspect—has continued to pull tricks. Based on documents that were never introduced at the General's hearing and which the latter claims are a forgery by the National Intelligence Service (SIN), those involved in the conspiracy are now being accused of attempting to assassinate President Alberto Fujimori, Army General Commander Nicola Hermoza, and SIN strong man Vladimiro Montesinos.

Several civilians have also been implicated in the plot, including Salinas' attorney, Senator Alberto Borea, and Maximo San Roman, along with Aprista [American Popular Revolutionary Alliance] leaders and businessmen connected with the communications media. [passage omitted]

In addition, we should soon know the relationship between officers being promoted and those retiring early. This is very likely to rouse more reactions of discontent.

Finally, the treatment meted out to the officials arrested is also cause for concern among their comrades in arms. The fact that the examining magistrate would reveal documents from a trial that was to be secret, rumors concerning the mistreatment of officers and subordinates, and the possibility that they could all be given heavy prison sentences are sources of irritation to those in uniform. It is difficult to predict what will happen.

The afternoon that I interviewed General Jaime Salinas Sedo in his cell at the Special Forces Division (DIFE) at Las Palmas [Air Base], I had two scares. I had to go through two rigorous inspections. Before the first one, which caused heart palpitations, my contact in the Army had smoothed the way, but I had to face the second one alone, which literally made my blood run cold, and I had to persuade the officer on duty that I was a very close friend of the general.

I found General Salinas in a bare room. He was alone and was surprised to see me. He had not been informed that I was being sent by CARETAS and he hesitated for some time before deciding to tell me anything. However, rather than yield to my journalistic arguments, he surrendered to the certainty that he was availing himself of a legitimate right to defend himself that had been denied him by the ruling party. I therefore quickly scribbled a few questions on a piece of paper I took out of his desk, handed them to him, and immediately placed my tape recorder under a few newspapers. There were more than enough reasons to think that someone might be listening in on our conversation. In the meantime, in order to conceal what was going on, we commented on the political programs last Sunday.

I spent about 40 minutes with the General. The interview began when he handed me a piece of paper on which he had written: "Based on information obtained as the result of threats, SIN has forged documents that could be used as evidence."

[Valenzuela] Why do you accuse the National Intelligence Service of forging documents to be used against you?

[Salinas] Montesinos is a person with a criminal history. On one occasion, the Armed Forces denounced him for counterfeiting documents and for treason. At the time, the charge of treason was never proved because it was not in the Army's interest to break up the intelligence system it had in a neighboring country and the only way to convict him meant making the matter public. They therefore preferred—since the man was not important at the time—not to undo an entire intelligence system that was valuable for Peru's interests. The proceedings were therefore stayed.

He later got mixed up in drug trafficking and when this government came into office, attached himself to Fujimori, who apparently cleared him of all tax evasion charges connected with the buying and selling of his homes. Now he is the man with the most power! If you read the telephone transcription published by CARETAS [19 Nov], you realize that it is not the chief of SIN, General Julio Salazar Monroe, but rather, Vladimiro Montesinos, who is the main figure between General Nicola de Bari Hermoza and Alberto Fujimori.

This man has now forged documents because he is an old hand at it. He spent a year in prison for doing it. He has come up with documents that never existed, while documents that did exist and that told the truth about what they wanted to do have disappeared.

[Valenzuela] Where did your hearing take place?

[Salinas] The Military Courts sent the Council member, but the hearing was held at the National Intelligence Service. They did not hold it here at the Special Forces Division, but at SIN, where they handled all the information through Vladimiro Montesinos.

[Valenzuela] So what they showed on "Panorama" on Sunday was a lie?

[Salinas] Most of the things they showed were lies. I had the credit cards in my pocket and turned them over to General Jose Sevilla, but on television it looked as if they had found them in my briefcase. I had no money in the briefcase either. They also talked about a rifle they say I smuggled in. Please! Any person who has traveled, even if only one time in his life, knows that a gun carried in a case a yard and a half long would never go unnoticed through customs at any airport in the United States, Argentina (which they made up because I have never been through Buenos Aires), Chile or Peru. They now have metal detectors and sometimes you even have to take out your nail clippers because the alarm goes off when you go through. Can you imagine a gun smuggled in by me? Nothing could be sillier!

[Valenzuela] Were they trying to show that you wanted to assassinate the president?

[Salinas] Naturally, that is what they wanted to do, but no one could believe that precisely in order to do something like what we wanted to do, which was restore democracy in our country and dignity to our Armed Forces, it would ever have occurred to us to plan the assassination of a person, even a sitting president. That would have been an international scandal of such magnitude that it would only have done Peru more damage. No such idea ever went through our heads.

[Valenzuela] But they showed documents.

[Salinas] That is forged evidence. The paper written on a typewriter is a forgery. On the day that General Sevilla took my statement, he showed me documents that were in my briefcase and I recognized them with no problem, but before the hearing began, I asked what they were charging me with.

He said the charge was rebellion and he assured me that it was the only charge. He asked me whether there was any intention of assassinating the president. I answered that I had the plan in my own handwriting and it says, in the case of President Fujimori, that he should be arrested and be turned over to the courts, in accordance with the constitution.

How can you explain that there is now a document that is supposedly a plan to eliminate Fujimori? Why was that document not shown to me on the day of the hearing, when one assumes that it was the most important piece of evidence for implicating me in an assassination attempt? I never saw that proof; I saw it for the first time on television Sunday on the program "Panorama."

[Valenzuela] You never wrote it?

[Salinas] Never. What they do have in my handwriting are outlines of what the military operation could be,

because I really wanted to take action to restore democratic normality to my country and dignity to my institution and I do not regret it, but from there to thinking that I could have written a plan to assassinate the president is completely false. This was forged and hatched in SIN offices. It was done by General Sevilla in complicity with Montesinos.

[Box, pp 14-15]

Who Is Sevilla?

Brigadier General Jose Sergio Sevilla Diez, who is a member of the Cavalry and of the Lieutenant Colonel Jose Benigno Cornejo class, is also a member of the Supreme Council of Military Justice. He has been appointed examining magistrate for the trial of General Jaime Salinas Sedo and other officials.

Last year, Sevilla served as inspector of the 5th Military Region headquartered in Iquitos and was implicated in the delicate case of slander and defamation against Army Major Ronald Pinto de la Zota Silva.

The officer had reported Sevilla for having induced a civilian employee of the Army to falsely accuse Major Pinto of having engaged in homosexual relations with him.

In a written statement to the 3d Criminal Court of Iquitos, the employee, Migdonio Navarro Vasquez, said he had "never engaged in any kind of homosexual relations with Army Major Ronald Pinto de la Zota Silva; that person has never made any dishonest proposition to me."

The employee's testimony had previously been used against Major Pinto to accuse him of homosexuality. However, in a sworn statement made on 25 September 1991, Migdonio Navarro states that "I was pressured by Brigadier General Serio Sevilla, inspector of the 5th Military Region, to make false statements about the sexual conduct of Major Ronald Pinto de la Zota Silva. I was coerced into signing a previously drafted document on which they even placed my fingerprint."

File 19-91 was taken to the court where, on 25 September 1992, Council members Padilla Yepez, Vitery Rodriguez, and Picoaga Sanchez issued a resolution declaring that grounds existed for the dispute over competence. In other words, the entire case will go to the judicial-military zone where Sevilla is part of the highest organ, the Supreme Council of Military Justice.

Can the exclusive military jurisdiction be impartial when Major Pinto's complaint against General Sevilla for defamation is known?

One may well wonder whether, with such a background, General Sevilla should continue to occupy a place on the Supreme Council of Military Justice. Furthermore, the general has taken basic and advanced courses at the Cavalry School, the Staff officers course at the Advanced War School, and the Joint Staff course at CAEM [Advanced Military Studies Center]. As a colonel, he served as military attache in Chile. Promoted to general, he served as inspector in Iquitos and was later appointed as a member of the military court. He has absolutely no legal training.

[Valenzuela] If it is written on a typewriter, could you prove whether it is the same type style as that of other documents in your briefcase?

[Salinas] No military plan for this movement was written on a typewriter. They were all verbal conversations; no order was given to any officer in writing. And no officer could have heard me or any other person say anything about any intention of eliminating the president. The outcry of those there—and it was only a handful—was the outcry of those who represented the majority of the officers in the Army. What has happened is that Montesinos has exerted very strong psychological pressure. Because of his control over the general commander, he is manipulating all the Armed Forces.

One is no longer free to speak in the Army, nor can you trust anyone. Now your best friend may stab you in the back. You can see that we can't even trust military justice. How can one have any trust when secret statements are now made public? Is that the justice that will try me? Whom can I trust? Civil justice manipulated by dictatorial power? I can only trust that God will intercede in this and that the Peruvian people will soon understand that it is all a farce.

[Valenzuela] Fujimori has accused you of participating in two other coup attempts in 1989 and 1990. Is that true?

[Salinas] That is totally false. Fujimori said I was planning to stage a coup in 1989. In 1989, I was a brigadier general, had a staff post, and commanded no troops. It would have been impossible for me to stage a coup and if I had attempted to do so, they would have put me on trial. Next he says that he has proof that in 1990 I was going to stage a coup when he came to power. Then why did he name me to be the minister's secretary? And later, why did he send me to the United States if I was really going to stage a coup of which he had proof? Why did he not denounce me? Why did he become my accomplice? He did not because these were fabrications that could be proved to be such.

[Valenzuela] Why did you get involved in this conspiracy?

[Salinas] Because even though I was an officer in retirement, I received a call from many officers who see in the current command total subservience and obsequiousness to the government. They see that we are on the way to destroying the Army. The most outstanding officers in the institution—I do not include myself among them—have been removed. Only officers servile to the government are promoted and appointed to the most important posts. Officers who refuse to submit to this are forced to apply for retirement. The least capable people, people

who could not make it "on the outside," are staying in the Army. This means a trend toward destruction.

The men receive starvation wages; officers live in garages. Is this the army we want to defend the freedom, sovereignty, and intangibility of Peru's borders? Our army is being turned into the armed defender of a dictatorship, not the army of all Peruvians. It has ceased owing anything to the people. The army's duty to the people is not to pass out sweaters, shirts, or computers. The army must do what the constitution orders.

[Valenzuela] Why did the conspiracy fail?

[Salinas] Since we knew that the president leaves the Palace immediately at the slightest warning, we knew, when predicting such an alert, that he would go to SIN to find Montesinos or to General Army Headquarters. On these two points, there were already officers, a large number of officers—not just a few, as they claim—who were willing to arrest him when he arrived. Once the president had been arrested, we would take over the other institutions.

There was a lack of coordination when the time came. We therefore decided to cancel the operation, not go through with it.

[Valenzuela] The coup would not take place that day?

[Salinas] No. We canceled the operation. We may have considered doing it after the elections because of latent concern among officers, but at a preliminary meeting that same day, one of the officers participating in the meeting left and informed on those of us inside. When the informer left, he still thought the coup would be staged no matter what and he therefore sounded the alarm, but we had already canceled it.

[Valenzuela] Who was that officer?

[Salinas] I will not name names; I assume complete responsibility for my acts. At the hearing, I named no names. At no time will the name of the informer come out. I think his own comrades will take it upon themselves to judge him. I know that it is one of those there because at one point in the meeting, one of the officers said, "I am counting on so-and-so," but "so-and-so" was not in on the plot and was nevertheless arrested. His name was mentioned and they arrested him even though he was not on any list. This is obvious proof that there was an informer among us and one day people will know who he was.

[Valenzuela] What next?

[Salinas] I do not think there will be a coup; I think that for the time being, the Army is under control. If they came to get me out of retirement, it was because they do not trust any general on active duty. However, you have to realize that the situation is just as serious within the institution and that at any time, a major or colonel could head up the movement and revolt. It could happen at any time.

[Valenzuela] And what will happen to you?

[Salinas] I cannot expect anything of military justice and I know that civil justice is subject to dictatorial power. Furthermore, Fujimori has already pronounced my sentence. They will punish me for attempted murder and give me the harshest sentence that exists in the Penal Code, 15 or 20 years, I don't know which, or as long as this government lasts. But if my action served to rouse the awareness of officers and make them adopt an attitude of exigency and decorum and demand the treatment they deserve, then I can accept 20 years in prison.

[Valenzuela] What role was played by the politicians whom the government now accuses of participating in the conspiracy?

[Salinas] The politicians had nothing to do with it; that is a political ploy of the government, nothing more. At no time did I tell any politicians anything about the movement. I tried to execute a military operation which, in order to be successful, had to be secret. No military man stages a coup with politicians. I did talk with many politicians and asked them what in their opinion was the best plan to enable Peru to regain its democratic normality while providing a program of social support for the people and improving the economic situation of the Armed Forces. I wanted to know their opinions because this helped me understand the political situation.

They rightly thought that Fujimori is propped up by the strength of weapons. I wondered what would happen if one day the bayonets no longer supported the president. Then San Roman would assume the presidency and Congress would be convened, a Congress that has performed an act of contrition because many politicians know they have to account to the people. Presidential elections would be called in a year. That was the political plan. I did not tell any politician that I was going to lead a coup. [passage omitted]

[Valenzuela] What were you going to do about General Hermoza?

[Salinas] That general has a solitary position in the Army. The only thing we were going to do with him was prevent him from entering General Headquarters. He would thereby lose his authority. No one was going to kill him. He is not important; he has no authority within the Army.

[Valenzuela] What can you say about the civilians who were implicated?

[Salinas] I do not know the other persons they are accusing: [Alfredo] Camino, [Enrique] Rodriguez Larrain, [Miguel] Revoredo. I only know Mercedes Cabanillas from television. They are implicating him in order to do the greatest damage possible. In my opinion, Guerrero was hired by the Intelligence Service; you would have to ask him, as EL COMERCIO says: What is the reason for his exclusivity? [passage omitted]

[Valenzuela] What role did Julio Vera Gutierrez play?

[Salinas] I am solely responsible for everything. Julio Vera is my friend and I borrowed certain things from him without explaining what they were for because they were actually for my personal use. He loaned his things and I told him nothing about the operation. It was not a bad thing aimed at my friend because I was doing something for the good of my country.

Venezuela

Perez Comments on 'Painful' Collor Resignation

PA3012034892 Caracas Venezolana de Television Network in Spanish 0000 GMT 30 Dec 92

[Text] The resignation of Brazilian President Fernando Collor de Mello has already begun to generate international reaction. Such is the case of President Carlos Andres Perez, who believes this event demonstrates the type of democratic solution available to countries that have correctly elected this system of government. Regarding Fernando Collor de Mello's resignation, the president said it does not harm Latin American democracy, as it demonstrates the type of civil solutions the democratic system can provide. President Perez pointed out the great responsibility chiefs of state have to demonstrate democracy's prestige and freedom all over the world.

[Begin recording] [Perez] This is very painful for Latin America, because these events affect our democracy. This forces us presidents to realize the tremendous responsibility that lies on us to strengthen democracy and our prestige all over the world.

[Unidentified reporter] Does this jeopardize democracy in any way?

[Perez] No, not at all. Quite the contrary, as it shows that there are procedures within democracy that allow us to solve our problems. [end recording]

'Cordial Relations' To Continue

PA3012143692 Caracas Venezolana de Television Network in Spanish 0000 GMT 30 Dec 92

[Text] Venezuelan Foreign Minister Fernando Ochoa Antich has declared flatly that the resignation of Brazilian President Fernando Collor de Mello will not at all affect relations between Venezuela and Brazil.

[Begin recording] [Ochoa Antich] A constitutional procedure was followed in this particular instance, a circumstance anticipated in Brazilian law. It is the causes that lead to such a situation which harm the stability of Latin American institutions.

[Unidentified reporter] Could President Collor's resignation affect Brazil's relations with Venezuela and other area countries?

[Ochoa Antich] No. This is an internal situation, which we respect. We will continue to maintain very cordial relations with the Brazilian Government and people. [end recording]

Brazil has a new president, Itamar Franco, who was sworn in only two hours after Collor de Mello resigned to avoid a trial.

Perez on Social Policy, 'Secret Fund'

PA3012044592 Caracas Venezolana de Television Network in Spanish 0000 GMT 30 Dec 92

[Text] President Carlos Andres Perez has said the ministers are responsible for administering the secret fund so his job as president is limited to supervising its use. He made this statement during a breakfast meeting at Miraflores Presidential Palace with the journalists who are assigned to cover the president.

One of the issues President Perez discussed was the scandal that broke out over the loss of 250 million bolivares from the secret fund. He said the only ones responsible for managing the fund are the ministers. It is impossible to have direct control over the money because no receipts are used with the secret fund.

President Perez also addressed the consequences on the country of the two coup attempts. He was quick to point out that they were a disgrace for the country, but the faith and confidence of the Venezuelan people are being regained day by day. According to the president, this is most important.

After admitting that 1992 was a year of turmoil, the president stressed that our success was in upholding democracy. He pointed out that the economy grew, international reserves did not drop dramatically, and the inflation rate remained at the 1991 level. He said that to announce a wage increase without the corresponding increase in productivity would deceive the working class.

[Begin Perez recording] No social policy is more important than the one we are carrying out here. Just look now. Of course we have problems, we have extreme poverty, but you never see demonstrations by the unemployed in Venezuela. You never see uprisings in the poor neighborhoods. The policy has made progress. You must compare what is going on in Venezuela with what is happening in the rest of Latin America, as we do not live on the moon or on some other planet. What is going on in the region? We must realize that, despite the difficulties, we have been solving the problem. Unemployment is on its way down. Private enterprise, I believe, created 270,000 new jobs in this country this year. [end recording]

The president said he will decide on any changes in his economic cabinet in January. It will be 1993 when he decides on reinstating constitutional guarantees, which continue to be suspended.

Interior Minister Says 'Tranquility Prevails'

PA3012143792 Caracas Venezolana de Television Network in Spanish 0000 GMT 30 Dec 92

[Text] On leaving the Council of Ministers, Interior Minister Luis Pinerua Ordaz said a climate of order and tranquility prevails throughout the country, that the situation is one of complete calm, and that Venezuelans should not become overly concerned if several personal rights are still suspended, because this suspension does not affect normal activities.

[Begin Pinerua Ordaz recording] As we have already said, we are absolutely sure there will be no disruption of established order, rumors to the contrary notwithstanding. [end recording]

Foreign Participation in Air Force Day Denied

PA2912184992 Caracas Venezolana de Television Network in Spanish 1550 GMT 29 Dec 92

[Text] As he left a meeting with President Carlos Andres Perez, Defense Minister Ivan Dario Jimenez said he had not ordered a confinement to quarters and that the situation in the country is completely normal. General Jimenez also said the trial of the soldiers involved in the 27 November coup attempt is going as planned, and he categorically denied reports according to which foreign pilots participated in the Air Force day military parade.

[Begin Jimenez recording] I said that I considered that a lack of respect and consideration for the Armed Forces. Regardless of how many problems we may have, we have not and will not allow foreigners to use our weapons, be they airplanes, ships, cannons, tanks, or whatever. We have never allowed this and we never will. [end recording]

Guyana

'Confrontation' Between Jagan, Green 'Brewing'

FL2912155592 Bonaire Trans World Radio in English 1130 GMT 29 Dec 92

[Text] Our report from Guyana says that confrontation is brewing in the capital, Georgetown, between the new administration of Dr. Cheddi Jagan and former Prime Minister Hamilton Green. According to the authoritative press, Mr. Green has refused to hand in three (state beakers) which were donated to the previous government by an international aid agency based in Miami, Florida. The report says Guyana's lieutenant general has dispatched a memo to the former prime minister asking that the (beakers) be given back within a reasonable time. Failing this, legal action will be taken to secure them. The new People's Progressive Party government says the Miami-based aid agency known as Food for the Poor has given the (beakers) to the Office of the Prime Minister, and not to Mr. Green for his personal use.

Remigrants Granted Import, Sales Tax Concessions

FL2912202292 Bridgetown CANA in English 1718 GMT 29 Dec 92

[Text] Georgetown, Guyana, Dec 29, CANA—The umbrella Private Sector Commission (PSC) late Monday [28 December] expressed "surprise" at a government move to re-introduce duty free concessions for re-migrating Guyanese and said it would be seeking an urgent meeting with the Finance Ministry to discuss the matter.

"The Private Sector Commission of Guyana notes with surprise the recent decision of the government to re-introduce remission of import and purchase taxes to re-migrating Guyanese," a PSC statement said.

"In the past, such schemes which have been costly to administer have hurt Customs Department collections and have been subject to much abuse," the PSC added.

The Guyana Government announced the re-introduction of duty-free concessions for re-migrants and returning students as a "Christmas gift" for them last week.

But, it restricted the concession to re-migrants over 18 years living overseas for at least two years. Acknowledging the concession was abused under the previous administration, the government promised to enforce strict monitoring measures to ensure vehicles are not improperly sold, or transferred.

"The commission welcomes the re-migration of Guyanese, particularly those with skills and capital. It however feels that the needs of those Guyanese who have stayed are at least of equal importance," the commission said.

It added: "The commission is calling on the government to remove the consumption tax on all household items and on commercial vehicles. The commission urges the government also to remove the purchase tax on motor cars."

Re-migrating Guyanese can now import motor cars of less than 2000 cc, or a four-wheel-drive Jeep less than 4500 cc, a reasonable quantity of household effects, including domestic and electrical appliances and a limited stock of relevant tools of trade duty-free.

But they will have to pay a "modest" consumption tax.

"Severe penalties will be prescribed to deal with any person who abuses the concession," the government warned last week.

Re-migrants will be required to swear to a statutory declaration certifying they have not previously enjoyed similar concessions and the items are for personal use.